JYSKE BANK

Sustainability Report 2022

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About this report

This report covers the Jyske Bank Group's work on sustainability in the period 1 January to 31 December 2022 and constitutes Jyske Bank's reporting on corporate social responsibility, cf. section 135b of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

The annual reporting for Jyske Bank consists of the Annual Report 2022, Risk and Capital Management Report 2022 and this report. The Sustainability Report 2022 is supplemented by the ESG Fact Book 2022.

The activities that Jyske Bank acquired from Handelsbanken on 1 December 2022 are only included in the report under Key Figures on page 4 (from the Annual Report) and in relation to lending, unless specifically stated.

A more in-depth description of sustainability at Jyske Bank is available at www.jyskebank.com/investorrelations/sustainability

Highlights 2022

27% *of the managers at Jyske Bank are women*

119 *DKKbn lent in sustainable lending areas*

15% *reduction in the bank's scope 1 and 2 emissions*

23% *of the lending portfolio is subject to reduction targets*

18% *decrease in the estimated emission intensity associated with the bank's lending and investments*

96 *DKKbn invested in funds that apply sustainability criteria*

78 *is the job satisfaction score measured in the annual employee survey*

97% *of employees have participated in training modules about sustainability*

About Jyske Bank

Jyske Bank is a values-based company. Our values are the focal point of everything we do

OUR VALUES

COMMON SENSE

HONEST

EFFICIENCY

EQUALITY

UNPRETENTIOUS

We want to be an alternative to traditional banks. At Jyske Bank, we do things in our own way and based on viewpoints and values that permeate the entire Group. We do this by creating value for customers, shareholders and employees while simultaneously challenging the financial sector.

The main reasons why we are currently the second largest bank in Denmark are our built-in competitive genes and high ambitions. But it also has to do with the way in which we approach our work and responsibility: freedom with responsibility, open communication and courage to make the necessary decisions.

"Building a set of values takes many years. For more than 50 years, we have more or less continuously kept in mind that stance is absolutely crucial for determining whether you [as an employee] are a good fit for the bank."

Anders Dam,
CEO

See the film (in Danish) here: www.omjyskebank.dk/brand/

KEY FIGURES FOR 2022

- PROFIT AFTER TAX DKK 3.8 BN
- RETURN ON EQUITY 10.0%
- CAPITAL RATIO 19.5%, CET1 15.2%
- LOANS DKK 489.2 BN
- DEPOSITS DKK 189.1 BN
- ASSET MANAGEMENT DKK 218 BN
- MARKET SHARE (MEASURED BY LOANS) 12%
- NATIONWIDE NETWORK OF 121 BRANCHES

Our business and role in society

We are based on

Viewpoints
We take a different approach to customers, e.g. by having an opinion about issues in society and the financial sector that are relevant to our customers.

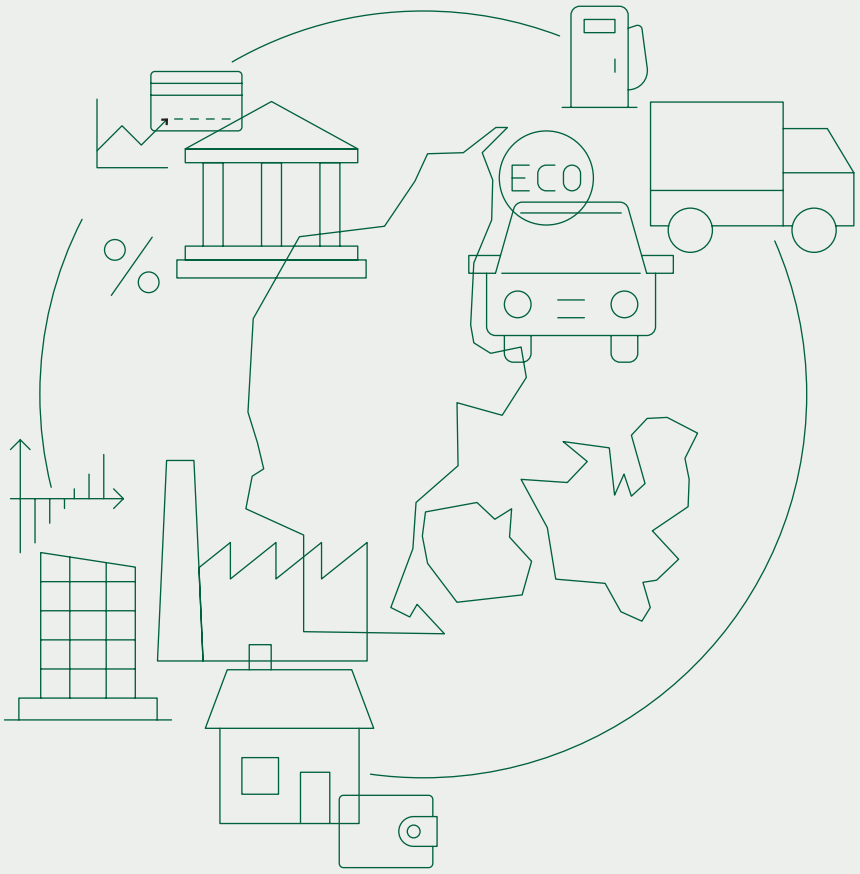
Solid credit quality
We base our credit decisions on the fact that customers should both be able to repay a loan and have a disposable income on which they can live.

Personal advice
We help customers find the right financial solution and factor in many different aspects that may affect their finances. We meet customers as equals, regardless of what they need our help with.

Responsible investments
Our approach to investing our own and our customers' money is based on the UN's Principles for Responsible Investment, active ownership and exclusion.

Preventing financial crime
As a financial institution, we have an inherent risk of being misused and thus also a central role in preventing money laundering and financing of terrorism.

Customers and society



We create

Financial security and freedom
Our customers, both personal and corporate, should feel safe and free with the financial solutions and opportunities offered by Jyske Bank. Safe because they have a responsible bank looking out of them, and free because our products and advice are based on their wishes and dreams.

Growth and development
We contribute to society's development through the provision of capital and other financial services to private individuals, companies and public authorities.

Financial stability
Jyske Bank is a systemically important financial institution that has a robust business model with a focus on Denmark and Danish customers. We have a strong capital and liquidity position that has been assessed as being able to withstand even very severe stress scenarios.

Balance sheet
Our customers, employees and shareholders are equal stakeholders, and the value we create must benefit everyone.

Positive competition
Jyske Bank is the catfish that oxygenates the water. As an independent bank, we challenge and develop the Danish banking market and surrounding society.

We are taking responsibility in a world in flux

Foreword by Anders Dam

The war in Ukraine has had a great human cost. It has displaced millions of Ukrainians and changed the geopolitical world order. A situation that is completely unacceptable and that Jyske Bank acted on early. We help our corporate customers to deal with the implications of the war and to comply with the extensive international sanctions against Russia. At the same time, we try to help improve the situation for Ukrainian refugees in Denmark, for example by creating jobs and showing flexibility in connection with establishing customer relationships.

The war is affecting us all

The energy crisis and inflation mean rising costs of living and an increased focus on potential energy shortages. Jyske Bank has answered the EU's call to reduce energy consumption by 15% and has introduced both central and local energy-saving measures that reduced energy consumption by almost 20% in the period from September to December. These measures have increased awareness among everyone at Jyske Bank, and we aim to continue these good habits while always remembering that the most sustainable energy is that which we do not use.

The climate comes first

When it comes to mitigating climate change, we need to do more – faster. Ambitious climate targets are the way forward. Especially when they are combined with initiatives that invite action now and can show the way to the many steps needed to solve the climate challenge.

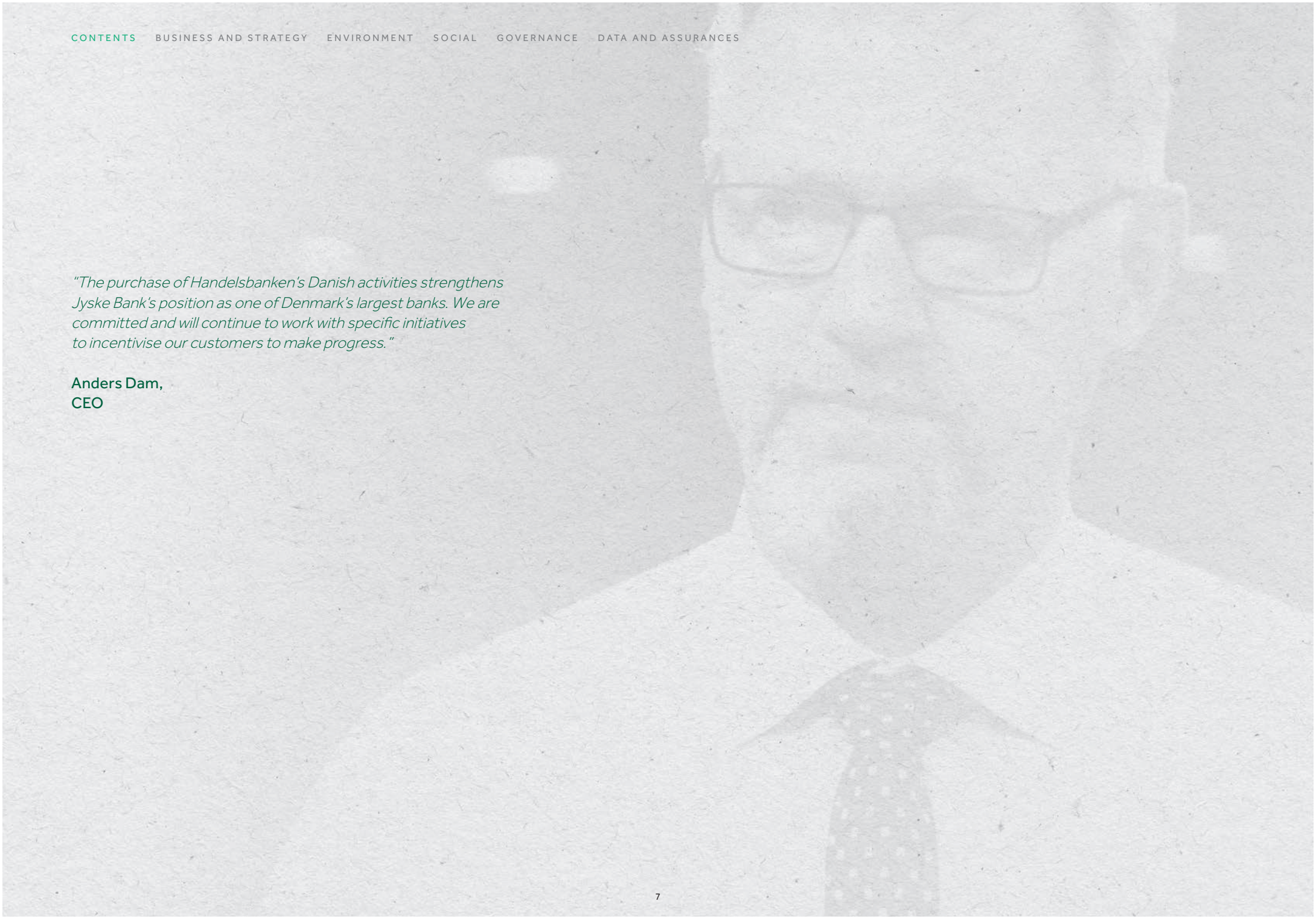
At Jyske Bank, we have made a long-term commitment to net-zero emissions on lending and investments. We have set 2030 interim targets for CO_2 reduction for investments in equities and mortgage bonds, as well as for lending to selected industries, and we will continue to expand the scope of our business within lending areas that contribute to the reduction of CO_2 emissions.

The purchase of Handelsbanken's Danish activities strengthens Jyske Bank's position as one of Denmark's largest banks. We are committed and will continue to work with specific initiatives to incentivise our customers to make progress.

Customers in focus

At present, both we and our corporate customers are affected by a number of new EU legal requirements and reporting obligations within sustainability. We welcome standards that increase comparability and transparency, though at the same time are aware that the new legal requirements pose a major challenge to both us and our corporate customers. Reporting and compliance must not overshadow our focus on dialogue with customers about their sustainability, and we see it as essential that we maintain a business approach to sustainability.

For this reason, in 2022 we conducted extensive sustainability training activities for employees in all business areas. Virtually all employees completed one or more training modules, and we continue to expand knowledge of sustainability both internally and externally. This helps qualify the dialogue with both corporate and personal customers and contributes to our customers' ability to make sustainable decisions.



"The purchase of Handelsbanken's Danish activities strengthens Jyske Bank's position as one of Denmark's largest banks. We are committed and will continue to work with specific initiatives to incentivise our customers to make progress."

Anders Dam,
CEO

The climate calls for action

Of the 17 Sustainable Development Goals, the climate is for good reason the area that is currently given the most attention: Planetary bounderies are being exceeded, "climate tipping points" are being passed and, according to the latest analyses from UN experts on the Intergovernmental Panel on Climate Change (IPCC), is it no longer possible to limit the temperature rise to +1.5 degrees by 2030.

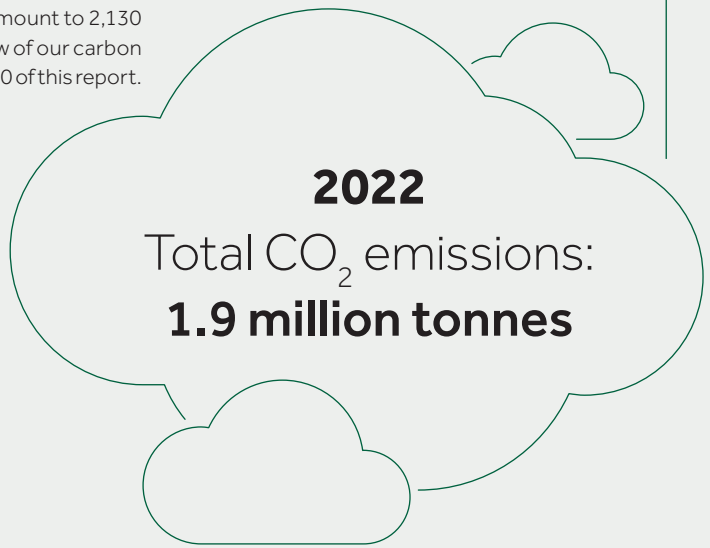
Rather, we are heading for an increase in temperature of almost double that and a scenario is now conceivable where, in addition to mitigating climate change, we will have to focus on how to mitigate its effects[1].

Despite the EU target of net-zero emissions by 2050 and national governments' reduction targets, the analyses conclude that too little is being done and too slowly.

The climate calls for action.

Jyske Bank's approach
Jyske Bank is determined to integrate sustainability into business activities and the operations of the bank. Our holistic approach ensures that we take initiatives in the areas where we can make the biggest difference.

Climate, Sustainable Development Goal no 13, is our most significant impact area, and it is through our business activities that we can make the biggest difference. This was shown by our first impact analysis in 2020 and is emphasised by the fact that currently the financed CO_2 emissions from lending and investments in scope 3 are estimated to be 1.8 million tonnes. In comparison, the bank's scope 1 and 2 emissions amount to 2,130 tonnes of CO_2. A detailed overview of our carbon accounting can be found on page 50 of this report.



Scope 1
Banking operations:
603 tonnes of CO_2

0.03%

Scope 2
Purchased energy (location-based):
1,527 tonnes of CO_2

0.08%

Scope 3
Emissions from suppliers and customers:
1,848,817 tonnes of CO_2

99.9%

1 UNEP: Emission Gap Report 2022, 7 October 2022: www.unep.org/resources/emissions-gap-report-2022

Our long-term target is net-zero emissions for lending, investment and banking operations, and in 2022 we set specific targets for reducing the financed CO_2 emissions for lending to selected industries.

At the same time, we prepared action plans to define the first steps towards meeting the targets. The action plans contain initiatives for increased cooperation with trade organisations on standards and further calls for corporate customers to prepare climate accounts and invest in climate-friendly solutions. The action plans lay down targets for the proportion of loans and customers preparing climate accounts in 2025 and 2030 respectively.

Sustainable business
Through advice and the Group's range of products and services, we support customers' transition. We focus on the individual customer's opportunities for sustainable transition and do not reject customers as a result of general sustainability conditions in, for example, a given industry, but we expect our customers to want and work to move in a more sustainable direction.

Responsible banking operations
Our operation of the bank must reflect that what we recommend to customers, we do ourselves. In accordance with our identity, the operation of the bank is characterised by responsibility, regardless of whether this concerns preventing financial crime, being an attractive workplace or reducing the CO_2 emissions associated with banking operations.

"There are no easy points – integrating sustainability into our business activities requires targeted and sustained efforts. Our progress will to a high extend reflect the progress of our customers. With lending and investments of more than DKK 750 billion, we are playing a major role in the transition while at the same time future-proofing our business model."

Trine Lysholt Nørgaard,
Head of IR and Sustainability

HOW WE WORK WITH THE SUSTAINABLE DEVELOPMENT GOALS AT JYSKE BANK

Since 2015, when 193 countries adopted the Sustainable Development Goals (SDGs), they have become a frequently used frame of reference for companies' work on sustainable development.

Together with the UN Principles for Responsible Banking, the SDGs also form the framework for our work to integrate sustainability into business activities and internal activities. The SDGs thus help support and qualify our initiatives within sustainability now and in the future.

We influence most of the SDGs to one degree or another through our business activities, but we donot map existing activities according to these goals. Instead, we focus on areas where we must act differently tomorrow than we do today.

We share our knowledge
Sustainability is a broad agenda under rapid development, where new knowledge is continuously generated and new experiences are gained. Sustainability is often experienced as abstract and difficult to make concrete. Jyske Bank has an overarching goal to educate all interested parties about the economy and society – and thus also sustainability – through our communication efforts.

In terms of our business model, Jyske Bank has the opportunity to influence many different players through dialogue with customers and business partners and via mass communication. Our ambition to run a sustainable and responsible business also means that we actively share our knowledge and experience where it creates value.

In addition to creating our own experiences with sustainability initiatives, we collect quantitative and qualitative data on sustainability, which is a good basis for dialogue and the work of promoting sustainability in all parts of society.

Focus reflected in report structure
The division of the report into E, S and G (environment, social and governance) underpins how we put climate on the agenda – especially in business activities. At the same time, we recognise all the activities related to social and governance that have been an integral part of running a bank for many years and that contribute to Jyske Bank running a sustainable and responsible business.

Targets

Our approach results in a number of targets that reflect the fact that climate is the focal point of our business efforts. We have set CO_2 reduction targets for investments, lending and banking operations, and we have targets for an increased business volume for lending areas that mitigate climate change.

Committed and competent employees are important prerequisites for Jyske Bank's business success. Therefore, we have also set targets for job satisfaction and gender diversity in management, which should help ensure that Jyske Bank can attract and motivate the best employees now and in the future.

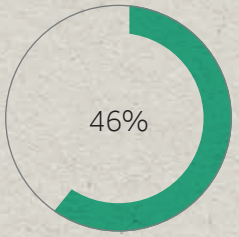
	Environment				Social		Governance
Ambition	We support Denmark's climate goals and have targets of net-zero CO_2 emissions and growth in lending that mitigates climate change				We ensure that the Group has the best possible employees		We have our own house in order
Targets	**Investment** **2030** 75% reduction in carbon footprint on equity investments under management 40% reduction in carbon footprint on funds with Danish mortgage bonds	**Loans - reduction targets** **2030** Residential properties: 65% reduction in CO_2 per m2 Office and business properties: 50% reduction in CO_2 per m2 Agriculture: Min. 40% reduction in CO_2 per DKK lent. Electricity and heat supply: 30% reduction in CO_2 per kWh produced Road transport: Min. 15% reduction in CO_2 per km	**Banking** **2030** 65% reduction in CO_2 emissions (scope 1 and 2)	**Loans - growth targets** **2025** Financing of 5 TWh of renewable energy DKK 50 billion in loans for low-energy commercial properties 30% of loans for vehicles and operating equipment are low-emission	**2025** Job satisfaction score of 81	**2025** 30-33% female managers	**2023** Extended requirements for responsible supplier behaviourfor major purchases

E

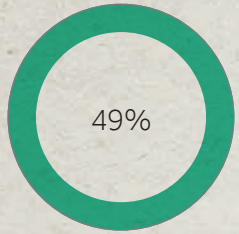
ENVIRONMENT

We support Denmark's climate goals and have targets of net-zero CO_2 emissions and growth in lending that mitigates climate change

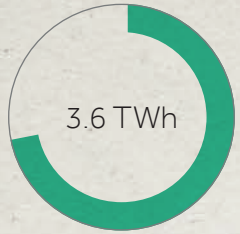
Status on targets



75% reduction in carbon footprint on our **equity investments under management** in 2030 compared to 2019

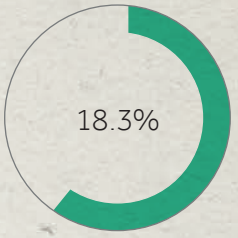


40% reduction in carbon footprint for our **funds with investments in Danish mortgage bonds** in 2030 compared to 2019

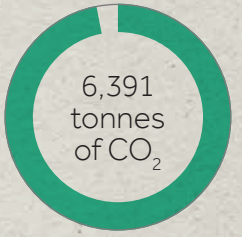


Financing of 5 TWh **renewable energy** by 2025

Financing of **low-energy commercial properties** of DKK 50 billion by 2025



30% of loans for **low-emission** vehicles and operating equipment by 2025



Offsetting CO_2 emissions from electricity, heating and driving in the bank's own cars (6,574 tonnes) with own production of renewable energy

Long-term target of net-zero CO_2 emissions

Governments and companies must shoulder their share of responsibility for meeting climate targets, but private capital also plays a key role. Here, the financial sector and thus Jyske Bank are part of the solution. As a bank, we have the opportunity to be a key player, as we finance a wide range of activities in society through lending and investments.

In 2021, Jyske Bank committed to have net carbon-neutral investments on behalf of customers by 2050. In 2022, we had the first interim targets by the Net Zero Asset Managers Initiative approved. The interim targets include approximately half of the managed assets, and follow-up on these can be seen on the next page.

Jyske Bank is now expanding its commitment to also include lending, where the goal is to have net zero emissions by 2045. We will thus be net carbon-neutral across our business activities. For us, the target of net carbon-neutral business activities is in line with our identity, which is running a sustainable and responsible business that positively develops and challenges the Danish banking market and surrounding society – now and in the future.

The first CO_2 reduction targets for lending

We have chosen to set interim targets for the reduction of CO_2 emissions for the industries in our lending portfolio that have the greatest emission intensity: transport, agriculture and energy supply, as well as commercial properties, which make up a large proportion of our lending portfolio. In total, the established interim targets comprise DKK 114 billion, corresponding to 23% of the total lending portfolio (excl. repo loans) and 33% of the estimated financed emissions for lending.

Setting CO_2 reduction targets for lending is not without its challenges. For some industries, the necessary technology for a green transition has not yet been developed. Other industries have a great dependence on, for example, fossil fuels, just as quality data is lacking. For example, the transport industry has not yet settled on a unit for measuring CO_2 intensity. Both targets and efforts will therefore need to be updated on an ongoing basis to reflect, for example, new knowledge or better methods and data.

New target for sustainable banking operations

We want to continue to lead the way when it comes to our own sustainability. That is why we have set a target to reduce CO_2 emissions from scope 1 and 2 by 65% by 2030 – this is common sense.

At present, the CO_2 emissions from the consumption of electricity, heating and driving in the bank's cars are almost off-set with our own production of renewable energy from Jyske Bank's wind turbine.

The way forward

Long-term targets and supporting interim targets have been set, but the way there is still beset with numerous uncertainties. However, the challenges must not prevent us from acting and gathering experience. We will gain new knowledge along the way, and share this with our stakeholders by being transparent about our work and approach.

At Jyske Bank, we have thus been frontrunners when it comes to estimating CO_2 emissions for lending and investments, and we are now estimating for the fourth time. We use this experience and these estimates as a basis for further CO_2 reduction targets and efforts for CO_2-intensive industries and other asset classes.

NEW 2030 REDUCTION TARGETS FOR LENDING AND BANKING

>15%
REDUCTION IN CO_2 PER KM FOR LORRIES, VANS AND BUSES

50%
REDUCTION IN CO_2 PER M^2 IN OFFICE AND BUSINESS PROPERTIES

>40%
REDUCTION IN CO_2 PER DKK LENT FOR AGRICULTURE

30%
REDUCTION IN CO_2 PER KWH PRODUCED BY ENERGY COMPANIES

65%
REDUCTION IN CO_2 PER M^2 IN RESIDENTIAL RENTAL PROPERTIES

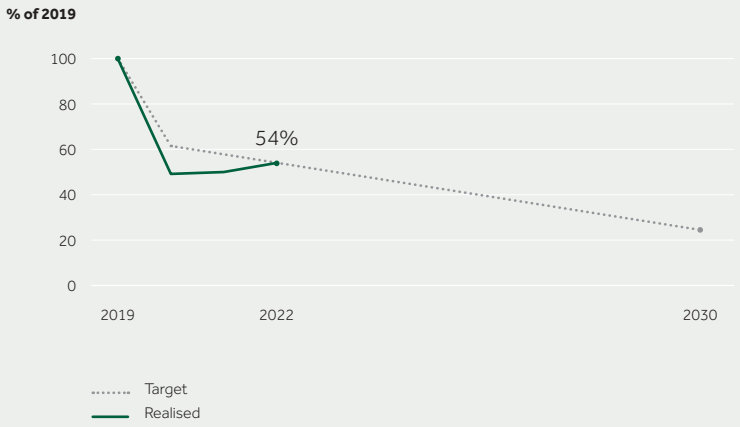
65%
REDUCTION IN CO_2 EMISSIONS IN SCOPE 1 AND 2

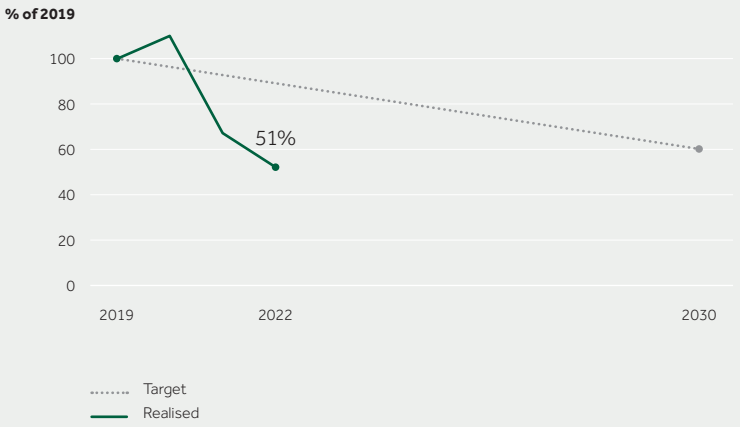
Status of CO_2 reduction targets for investments

Equities
At the end of 2022, the carbon footprint from our customers' equity investments has been reduced by 46% since 2019, and we are therefore well on our way to meeting our target of reducing the carbon footprint by 75% by 2030. The ongoing focus on CO_2 reduction is, among other things, implemented by a number of equity funds having built-in criteria for an annual CO_2 reduction of 7%. It can be viewed as the portfolio manager in the individual equity fund having a CO_2 budget that must be used as efficiently as possible and that is reduced annually. This leads to an incentive to invest in companies that are working actively on CO_2 reduction. Particularly high emitting companies are also identified. In this way, general awareness is increased, which influences the portfolio managers' investment decisions.

Mortgage bonds
For mortgage bonds in mutual funds, the carbon footprint has been reduced by 49% since 2019 and thus at the end of 2022 the bank already meets the interim target of a 40% reduction by 2030.

The development of the carbon footprint has benefited from rising property prices, lower emission factors as a result of increased use of renewable energy and an extraordinarily low exposure to industries with high CO_2 emissions, e.g. shipping and agriculture. A number of these conditions may change in the coming years, which is why the interim target is being retained for now.





Sustainable business

Our long-term target of net-zero emissions has been translated into specific actions and frameworks for the work here and now. Because we have to act now and make the right decisions in order to meet our targets, regardless of whether a share is to be replaced in an investment portfolio, or whether an adviser is to encourage a lending customer to make a change.

Simplifies sustainable investment

Investment is a central driving force for the sustainable transition that we at Jyske Bank want to promote. At Jyske Bank, we make investments amounting to DKK 190 billion on our customers' behalf. We want to make it easy for customers to see the sustainability elements in their investment products and provide knowledge of general concepts and contexts regarding the positive and negative impact of investments on sustainability issues.

The core of our approach to sustainable investment in our asset management products consists of elements such as CO_2 reduction for the investments, active ownership that can influence development and exclusion.

Sustainability criteria in advice

In 2022, Jyske Bank implemented identification of our investment customers' sustainability preferences. This has led to sustainability becoming a central element in connection with investment advice.

The preliminary results of the identification show that the majority of customers want sustainability considerations to be included in connection with investment. Experience also shows that sustainability preferences are a new area for customers to relate to and that the area will have to be matured over time.

In order to equip our investment advisors for the dialogue with customers, we have conducted extensive training activities in 2022.

In addition, in 2022 we made it easier for our advisers to assess the impact of a change in the customer's investment portfolio and relate this to customers' sustainability preference. The solution has been implemented in our advisory solutions for Private Banking customers and it also demonstrates relevant sustainability aspects, such as the portfolio's overall ESG rating and CO_2 emissions.

Investment in companies undergoing a sustainable transition

When you choose to invest your money sustainably, many people expect to invest in companies that have completed a sustainable transition. But companies with high CO_2 emissions may also appear in a fund that has the word "sustainable" in its name – and which is also subject to requirements for CO_2 reduction.

By investing in companies undergoing a sustainable transition, you contribute to promoting the transition and, at the same time, the potential for return may be greater. This is because companies that have already completed a sustainable transition can be more expensive to invest in due to demand.

See the film (in Danish) here: www.jyskebank.dk/fonde

Dialogue increases focus on sustainability
In 2022, Jyske Bank increased our active ownership by way of casting a number of votes at companies' annual general meetings. The key focus of our active ownership has been the climate, with particular emphasis on the most CO_2-emitting companies getting started with establishing CO_2 reduction plans in accordance with the Paris Agreement.

In 2022, we also initiated dialogues with six Danish mortgage credit providers. We see a need for mortgage credit providers and investors to talk together about transparency in relation to financed emissions, data methodologies and specific action to contribute to the fulfilment of the Paris Agreement. We have created a forum where we can address other relevant sustainability issues over time.

As part of the Climate Action 100+ initiative, we have participated in dialogue meetings with Walmart and Vistra Energy. We experience the dialogue as a valuable bridge-builder between investors and companies, where a focus is created on the most pressing issues.

In addition, in 2022 we took the initiative to start up a network for institutional customers, where the focus is on developing sustainable investment solutions in Danish mortgage bonds.

The network is intended as a professional platform where our experience and knowledge create value for the institutional customers through collaboration and dialogue.

RUSSIA/UKRAINE

In the run-up to and in the period immediately following Russia's invasion of Ukraine, a Group-wide crisis management task force worked to reduce business activities and balances related to Russia and Belarus as much as possible. Among other things, the task force implemented the freezing and blocking of all securities, derivatives, payments and accounts that had a relationship with Russia or Belarus. As part of the crisis management, all new business transactions were blocked, and there was a focus on stopping existing customer transactions where this was possible. In addition, control of all transactions to and from Russia and Belarus was implemented in order to ensure compliance with the adopted trade sanctions.

We subsequently moved into a crisis management phase. Here, the focus was primarily on ongoing implementation and monitoring of sanctions anchored in the Group's two sanctions fora, as well as on the processing and settlement of the commercial payments and transactions.

Remaining balances cannot be closed by the customers, nor can they be transferred to other financial institutions, partly because of Russia's sanctions against countries characterised as "unfriendly", including Denmark.

Financing solutions that support sustainable transition

With lending of almost DKK 500 billion, Jyske Bank can make a significant difference in relation to the reduction of financed CO_2 emissions.

Our lending portfolio features no loans to a number of the industries that are considered by the Task Force on Climate-Related Financial Disclosures (TCFD) to be challenged due to high CO_2 emission intensity, so our CO_2 reduction targets presented in the section Long-term target of net-zero CO_2 emissions include the most CO_2-emitting industries in Jyske Bank's lending portfolio.

In addition to CO_2 reduction targets that reduce the negative footprint, we also have targets that increase our positive impact on society. The latter targets are set under the auspices of the Jyske Bank Green Finance Framework.

Dressed for customer dialogue

The employees of Jyske Bank complete on a continious basis training modules to ensure that their knowledge – including of sustainability – is always up-to-date and that this knowledge is communicated at eye level.

In 2022, employees in both Personal and Corporate have acquired new knowledge and skills through internal learning courses tailored to the individual business area. In Personal, the focus has been on energy renovation and housing finance, where all employees specialising in housing advice have completed e-learning modules and webinars with training in dialogues.

In Corporate, more than 80% of employees have completed a comprehensive course involving e-learning, cases and workshops. In partnership with SEGES, a Danish agricultural specialist, we have also trained our business partners specialising in agriculture to ensure that they are aware of the challenges and opportunities that exist for a transition in agriculture.

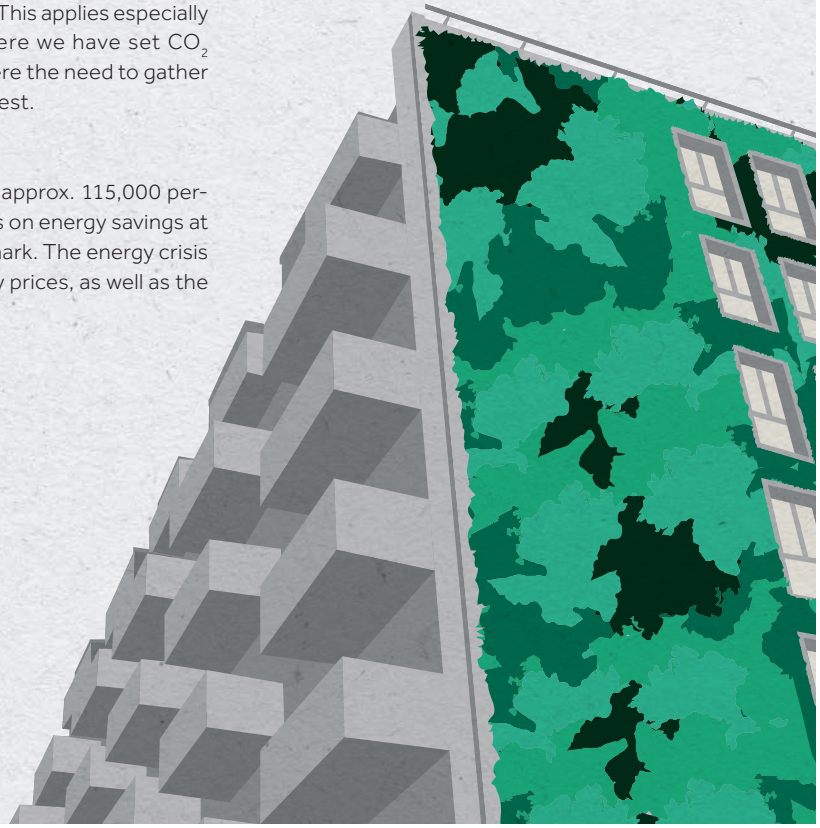
The skills acquired enable employees to engage in strategic dialogue with customers around sustainability. For many corporate customers, the road to transition is still unclear and difficult to get started on. A good place to start the dialogue and transition is knowing what the baseline is, both for the customer and for us. This is why we have a specific initiative aimed at getting more customers to prepare ESG climate accounts.

Cross-sectional cooperation

In 2022, we have partnered with stakeholders – ranging from trade organisations, the public sector and climate partnerships to customers – on various sustainability-related topics, e.g. data, tools and transition plans. This applies especially within the industries where we have set CO_2 reduction targets and where the need to gather knowledge has been greatest.

Energy renovation

In the autumn, we invited approx. 115,000 personal customers to events on energy savings at 22 locations around Denmark. The energy crisis and resultant rising energy prices, as well as the



need for in creased knowledge about energy renovation in private homes, where some of the reasons why, together with BoTjek, we invited customers to an inspiration evening on energy renovation, optimisation and savings. There was a big turnout for the events, with waiting lists in several locations, and the participants gave a rating of 4.14 on a scale of 1 to 5.

Sustainability-linked loans gain ground

Where in 2021 both green mortgages and green construction credits were introduced for corporate customers, in 2022 there has been less activity in terms of new products. On the other hand, the level of activity within the financing of sustainable activities has been high.

A number of Jyske Bank's largest corporate customers have taken out loans where the interest rate depends on development in relevant sustainability criteria, also called sustainability-linked loans. During 2022, Jyske Bank has thus granted a total of DKK 6 billion of this loan type. We expect this type of loan to become relevant and available to more of our corporate customers in the future as sustainability criteria become available and verifiable among more corporate customers.

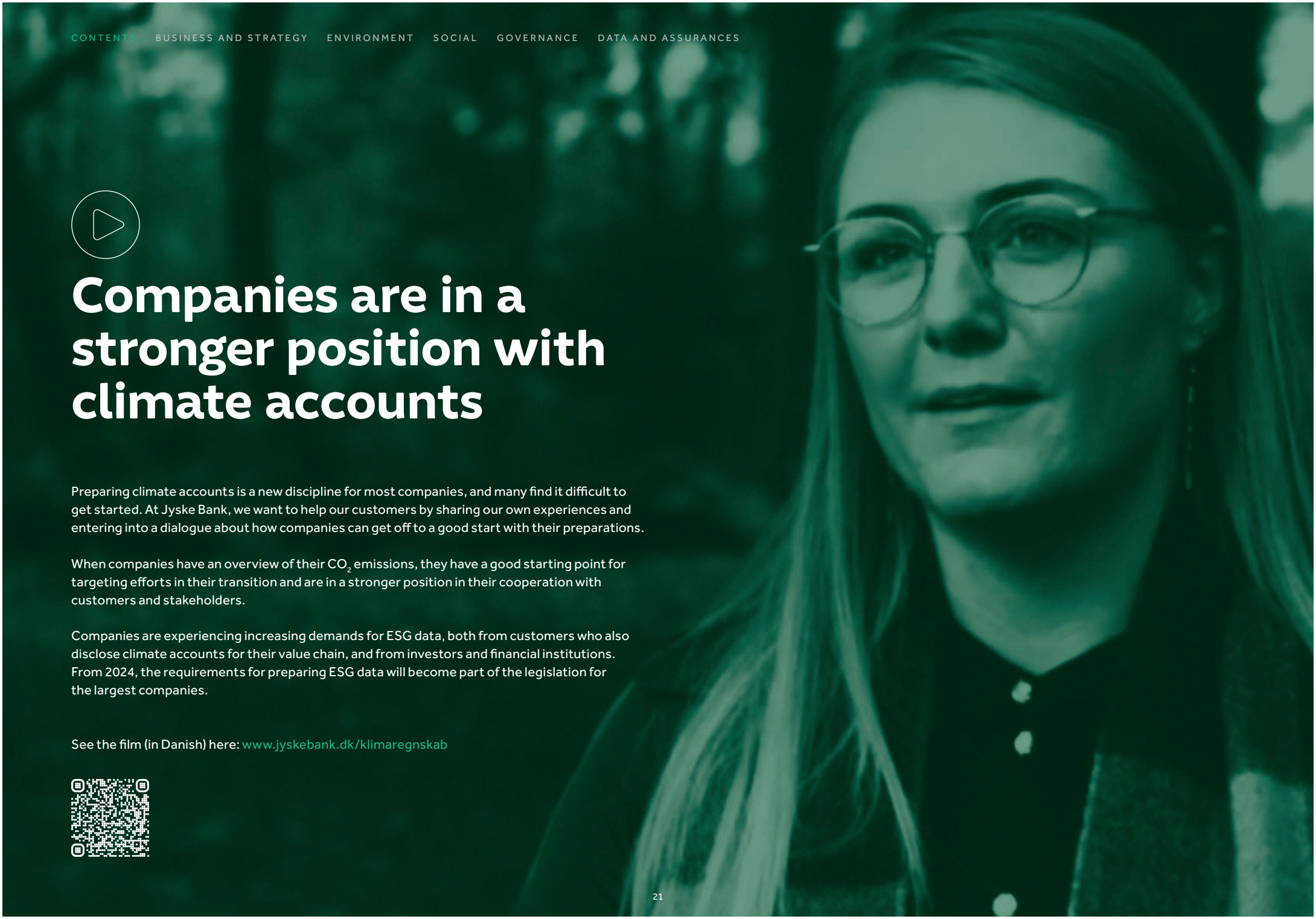
In 2022, Jyske Bank also arranged a green bond issue of EUR 50 million for Eurowind Energy A/S and was the lead manager on green bond issues for a total of EUR 500 million.

Growth in lending areas that mitigate climate change

In 2022, lending to areas that mitigate climate change increased by DKK 31 billion. At the end of 2022, this lending thus amounts to DKK 119 billion, corresponding to 24% of Jyske Bank's total lending (excl. repo lending). The distribution of lending to the five areas can be seen in the table below.

The definitions of the lending areas are given in the Jyske Bank Green Finance Framework, which was established in 2020. The framework was updated in 2022 so that it now shows the extent to which Jyske Bank's criteria correspond with the criteria in the EU taxonomy for environmentally sustainable activities. There is a close correlation for most lending areas, and we expect to use the EU taxonomy's definitions in the framework in the long term.

Jyske Bank Green Finance Framework Lending volume in DKK million	**2022**	**2021**	**2020**	**2019**
Renewable energy	5,431	3,953	3,597	2,915
Green buildings	108,940	80,878	76,413	64,799
Low-emission vehicles and operating equipment	4,100	2,755	930	557
Sustainable use of natural resources	259	259	1,812	2,092
Recycling and sustainable production	272	272	610	289
Total	**119,002**	**88,117**	**83,362**	**70,652**



Companies are in a stronger position with climate accounts

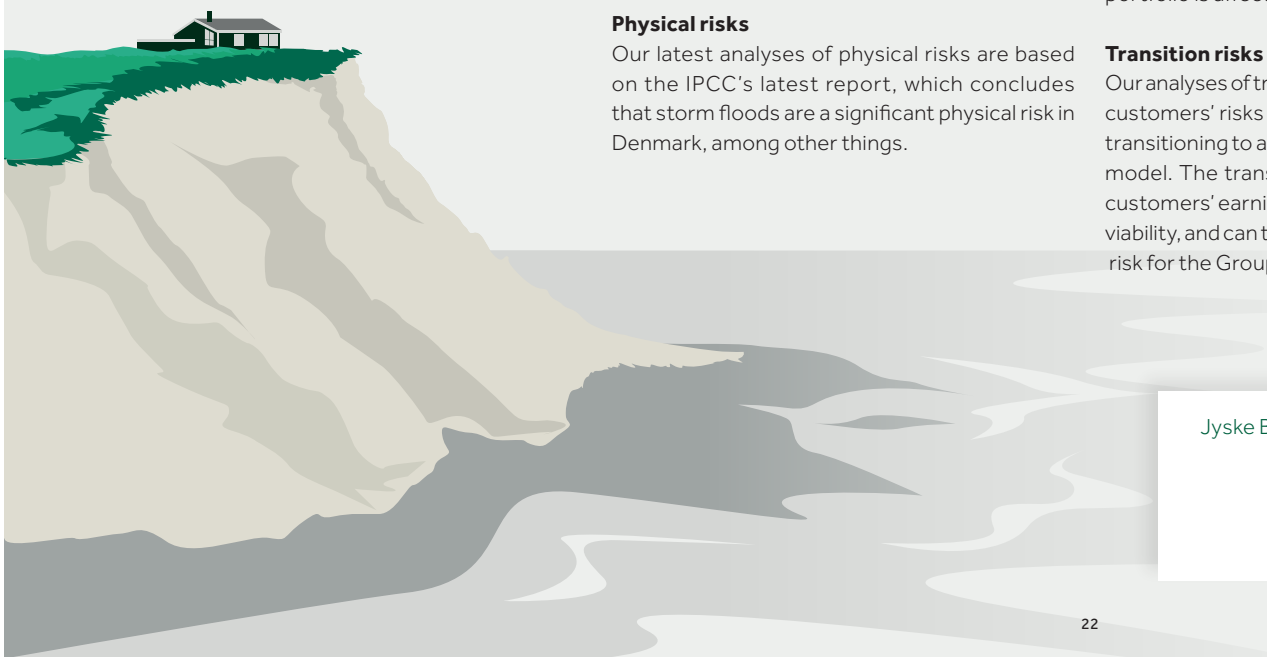
Preparing climate accounts is a new discipline for most companies, and many find it difficult to get started. At Jyske Bank, we want to help our customers by sharing our own experiences and entering into a dialogue about how companies can get off to a good start with their preparations.

When companies have an overview of their CO_2 emissions, they have a good starting point for targeting efforts in their transition and are in a stronger position in their cooperation with customers and stakeholders.

Companies are experiencing increasing demands for ESG data, both from customers who also disclose climate accounts for their value chain, and from investors and financial institutions. From 2024, the requirements for preparing ESG data will become part of the legislation for the largest companies.

See the film (in Danish) here: www.jyskebank.dk/klimaregnskab

Climate risks



Assessing the impact of our activities on the climate and other areas of society is only one side of our work on sustainability. The other side is about how climate change affects Jyske Bank's portfolio, and thus which climate risks Jyske Bank is exposed to. Together, these two sides constitute the double materiality principle, which is a central element in sustainability legislation.

The work on climate risks includes portfolio analyses, development of heatmaps, data development and identification of both transition risks and physical risks.

Physical risks
Our latest analyses of physical risks are based on the IPCC's latest report, which concludes that storm floods are a significant physical risk in Denmark, among other things.

Property financing represents more than 70% of the Group's total lending at the end of 2022, and we therefore continuously prepare analyses of storm flood risks and the significance of permanent water level rises for the property assets in the Group's portfolio. These analyses are used as inputs for business strategy and in credit contexts, among other things.

We continuously monitor material for analyses of physical risks from public and private companies and use these for an updated overview of how the portfolio is affected.

Transition risks
Our analyses of transition risks are focused on the customers' risks and opportunities in relation to transitioning to a more climate-friendly business model. The transition risks can affect both the customers' earning capacity and their long-term viability, and can thus become an increased credit risk for the Group.

Financed emissions, which we estimate in our impact analyses, form a good basis for monitoring a number of transition risks. In the future, other key figures will also be used.

Organisation
The Board of Jyske Bank regularly reviews climate risks through quarterly risk reporting.

The Risk Committee acts as a preparatory committee before the Board decides whether to act on the recommendations of the risk unit. The Sustainability Committee is informed of the work on climate risks on an ongoing basis.

Data quality is paramount
It is essential for the work on climate risks to have good-quality data. Therefore, establishing a solid and accurate data basis is an area of focus in the Group both today and in the future. Implementing Pillar III disclosure requirements for ESG risks forms an important element of the data work. A reporting requirement that will be continuously extended from the beginning of 2023 until the end of 2024.

TCFD

Jyske Bank has endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and our reporting on the four main areas in the recommendations is part of our ESG Fact Book 2022.

See www.jyskebank.com/investorrelations/sustainability/esg-data

The first solar photovoltaic system has been installed in Silkeborg

Solar cell panels are a flexible and scalable solution for electricity production. They can be set up locally so that the energy is produced where it is used. In 2022, we investigated which of our locations are suitable for setting up photovoltaic systems, and in the autumn we installed the first system on one of the roofs of our buildings in Silkeborg. The plan is to install more systems in the course of 2023.

The first system covers an area of a total of 1,000 m^2 and can produce approx. 200,000 kWh per year. We consume most of the electricity ourselves. The rest is sent out into the power grid and thus increases the proportion of renewable energy in Denmark.

The installation of solar cell panels on Jyske Bank's roof entirely aligns with Silkeborg Municipality's desire for businesses in the municipality to establish photovoltaic systems on flat roofs.

Since 2021, the CO_2 emission associated with the consumption of electricity, heating and driving in the bank's cars has been almost off-set with production of renewable energy from Jyske Bank's wind turbine at the Port of Hirtshals.

In 2022, the wind turbine produced 16 GWh. Despite the wind turbine's offsetting, we believe that it is still important to further reduce CO_2 emissions from the bank's operations. Therefore, in 2022 we set a target to reduce the Group's scope 1 and 2 CO_2 emissions by 65% by 2030.

"Local production of renewable energy benefits both Jyske Bank and society. We have a high electricity consumption and several flat roofs on our buildings in Silkeborg, which we therefore consider ideal for photovoltaic systems. We are also investigating whether our buildings in other cities could have photovoltaic systems."

Jan Almosetoft,
Technical Operations and Energy Manager

We are saving energy, naturally

As a result of the geopolitical situation in Europe, the European Commission encouraged everyone to contribute by saving 15% on their energy consumption so that there was enough energy for everyone over the winter. A measure that also benefits the climate, and a responsibility that we all already have to limit the rise in temperature as much as possible.

Through joint efforts, Jyske Bank has saved almost 20% on its energy consumption since September compared to the same period in 2021.

Committed employees and new initiatives
Although Jyske Bank has taken measures to reduce energy consumption for many years, we have been able to initiate measures that will reduce our energy consumption further both centrally and locally. Reducing the time the ventilation is in use, adjusting the brightness of lighting and changing lighting conditions in the car park are some of the central measures that have had the greatest effect. We have also found a beneficial effect on electricity consumption when all employees are involved in coming up with ideas and focusing on measures that can be implemented locally. In this way, we managed to cut approx. 23% of electricity consumption in just four weeks.

There has been continuous internal news about our energy consumption status, which helps us to keep motivation up and remember our good habits.

The measures have resulted in, for example, information screens being switched off in our branches, and the temperature in our buildings being lowered. And although there have been many changes, there has been broad support among our employees.

From effort to culture
We intend to continue saving energy. It is common sense. Because although the measures could be considered a short-term initiative to secure the energy supply during the winter, the initiatives also help reduce Jyske Bank's impact on the climate. It is therefore important to consider which of the initiatives should continue. Which of the screens that were switched off should be switched on again? How much will ventilation and cooling systems need to run in the future?

Because, now we have kicked our old habits, we have the opportunity to create a lasting change of culture.

"It can sometimes feel cold, so we see more knitted jumpers than we used to. In addition, a few more microbreaks are taken to engage in activity to keep the blood flowing and thus stay warm."

Jeanette Borup Vinther,
Financial Officer, Jyske Finans

WASTE SORTING

In a pilot project in the spring of 2022, we gathered useful knowledge about waste at Jyske Bank. The project was a precursor to the roll-out of waste sorting stations in the Jyske Bank Group. In several of the Group's locations, waste is sorted into up to 12 fractions so that as much of our waste as possible can be recycled. All locations are expected to sort waste by early 2023.

During the pilot project, we became aware of the amount of single-use drink containers in our residual waste. We have therefore initiated the phasing out of cardboard cups and plastic glasses in order to protect the environment and reduce the amount of waste.

E

ENVIRONMENT

Progress and efforts

Progress in 2022

Investment
- Interim targets for equities and mortgage bonds, respectively, approved by NZAM in October 2022
- Implementation of new legislation regarding sustainability preferences
- Voting on over 10 times more companies and over 20 times more agenda items than in 2021
- Active ownership dialogues with six mortgage credit providers
- Established mortgage credit network for institutional customers
- Climate Action 100+ dialogue meetings with Walmart and Vistra Energy
- Sustainability training for all investment advisers
- Participation in 176 engagement cases, 61 of which relate to human rights and employee rights

Financing
- More than 80% of employees in Corporate have completed extensive training courses on sustainability
- Specialised training in sustainability for 46 employees specialising in agricultural advice
- Training of 802 advisers for dialogue with personal customers about energy renovations at home
- Held 22 events on energy renovation and energy saving at home together with energy consultants
  More than 1,100 customers participated
- Held webinars on climate reporting and inspiration for working with sustainability in companies
- Close cooperation with trade organisations regarding training and data for sustainability
- Establishment of organisational structure that supports increased financing of renewable energy solutions

Sustainable banking operations
- Due to long delivery times for electric vehicles, it was not possible to replace the bank's loaner cars with low-emission vehicles in the course of 2022
- Implemented energy measures that resulted in a 17% reduction in electricity consumption
- Establishment of 1,000 m^2 of solar panels at our head office in Silkeborg, which produced 5,628 KWh in 2022
- Improved handling of own waste. Pilot project on waste sorting completed and roll-out initiated

Efforts in 2023

- Expand reduction targets to include a greater proportion of assets under management
- Publish climate position paper
- Incorporate more sustainability metrics into advisory tools
- Classify more investment products as Article 8 products pursuant to the Disclosure Regulation
- Further develop the framework for identifying investment customers' sustainability preferences

- Encourage corporate customers to prepare climate accounts, take specific measures and consider new, climate-friendly investments
- Continue to add knowledge through webinars and including a sustainability specialist in customer meetings
- Maintain and develop close cooperation with trade organisations regarding the industries' development in the field of sustainability
- Offer themed/training days to customers in partnership with trade organisations for selected industries
- Increase the proportion of financing in green bonds – via financing of new development or renovation, as well as dialogue with customers about a sustainable transition
- Award of Den Grønne Transportpris (Green Transport Prize) by Jyske Finans and DTL-Danske Vognmænd

- Reduce the portfolio of loaner cars
- Setup of four additional photovoltaic systems on Jyske Bank sites
- Set up waste-sorting stations in all locations and establish agreements with business partners on the recycling of sorted waste

S

SOCIAL

We ensure that the Group has the best possible employees

An attractive workplace

The Jyske Bank Group's most important resource is its employees. We are and will continue to be an attractive workplace where employees experience job satisfaction, equal rights and development opportunities for all.

Increase in job satisfaction
In our annual employee survey, we gauge employee commitment and job satisfaction. The 2022 survey showed a 2-point increase in job satisfaction compared to 2021, and it is now 78.

Our strategic goal for 2025 is to be one of the top three companies in the financial sector in terms of job satisfaction.

Efforts in 2022
To ensure that we can motivate and attract employees, we have a number of specific initiatives and continue to take measures in areas where there is potential for improvement. The current measures range widely:

- Maternity leave
  We have started using a new dialogue tool to ensure that maternity leave does not become an impediment to the experience of development opportunities. A focus on relations and good dialogue during the maternity period helps managers and employees on maternity leave to reconcile expectations along the way.

- A good start
  Research shows that a good start is important in a new job. We organise training courses for professional and personal skills, and a good onboarding process, while network activities across the Group contribute to rapid integration into the organisation, with an increased sense of belonging, commitment, performance and job satisfaction as a result.

- On your feet-campign
  In 2022, we continued to work with the physical working environment and have consolidated efforts relating to the importance of movement and variation in a sedentary day-to-day life.

- MINDstrain
  In this e-learning course, mental toughness and thought processes are discussed using specific tools and metaphors. Over half of our employees have completed this voluntary course.

- Denmark's Mental Health Day
  The Group joined the Danish Mental Health Day campaign for the first time in 2022. In local branches, initiatives were spread across the week. From lunchtime walks with a colleague to an end-of-day event with an external presentation and a meal. With dialogue and good relationships in focus, all these activities have helped to cement the fact that mental health, well-being and job satisfaction are at stake every single day.

HELP FOR UKRAINIAN REFUGEES

After the Russian invasion of Ukraine, Jyske Bank quickly decided that we want to help Ukrainian refugees. Among other things, a number of positions were created specifically for Ukrainian refugees with temporary residence permits in Denmark. Five employees have been employed under this scheme.

In addition, all employees were given the opportunity to work voluntarily for either aid organisations or in connection with municipal initiatives for up to two working days per month. 27 employees have taken this opportunity.

Finally, employees have on their own accord set up collections of used clothes, furniture, hardware, etc. for both new Ukrainian colleagues at the bank and refugees in Denmark.

Focus on the working environment
Both the physical and the mental working environment are treated as highly important. This applies to both the central working environment organisation and the local working environment groups, where the manager and the trade union representative have joint responsibility for the day-to-day working environment in the department. All trade union representatives are offered our own working environment training. In this way, we ensure that competence is increased and efforts are anchored throughout the organisation.

Recently graduated employees
In the Jyske Bank Group, the recruitment of recent graduates focuses on employment in training positions, such as trainees and graduates. We see great potential in recent graduates' competences and their contribution to both diversity and the development of both organisational culture and products. The number of jobs in training positions has more than doubled in recent years, cf. the table below.

In addition to the internal networks across the organisation and between the training positions, we have strengthened our relationship with educational institutions and student associations, which is key in communicating about Jyske Bank as a workplace.

Development opportunities and a good working life
Throughout their employment, all employees are offered training and development in order to contribute to competences and professionalism at a high level. We strive for the best possible framework for development, a positive everyday and a good balance between work and leisure.

New graduates, Bachelors of Finance and Financial Economists at Jyske Bank

Number	2022	2021	2020	2019	2018
Graduates	34	24	13	15	4
Bachelors of Finance	12	25	25	15	26
Financial Economists	27	18	13	5	13

HUMAN RIGHTS

Human rights are the basis for a fair and equal society, and they are entrenched values in the Group. At the same time, we see our role as an active participant in the work for equal rights as a natural consequence of our size and the composition of our employees.

Jyske Bank therefore makes a continuous effort to observe human rights, and we encourage employees to speak out against discrimination and abuse via an open culture, clear channels and work processes.

Our core values are the foundation that binds us together. These values are guiding principles that govern how we act towards each other and towards others. This minimises the risk of there not being equality for everyone.

Diversity

In the Danish financial sector, diversity and gender diversity have repeatedly attracted attention in the media, as there is a lack of female managers at the country's banks. This also applies to Jyske Bank, where gender diversity in senior management in particular has been mentioned a number of times.

And there is something to this, because only 27% of the bank's managers are women, and there are only a few female managers at the top levels.

New target for women in management
Jyske Bank's target is that 30-33% of all managers are women in 2025. In the previous years, we have focused on increasing the number of women in connection with recruitment and management training programmes but we also wish to strengthen the focus by setting a short-term target.

Diversity on the agenda
Diversity is about much more than gender and women in management. Employees with different professional and personal backgrounds can inspire and help each other develop everywhere in the organisation.

Three employees took the initiative to set up a voluntary online forum where attitudes, questions and concerns about diversity at Jyske Bank are discussed among colleagues. 13% of employees are members of the forum, and thus the dialogue about diversity at the bank has been started.

Diversity committee
Discussions on diversity have been formalised in our newly established diversity committee, which is broadly based, with representatives from many employee groups and management levels within the Group. Through initiatives, visibility and inspiration, the committee will remove barriers to diversity by working to tackle unconscious bias in everything from recruitment and employee development to advising customers and communication materials, for example.

Managing Director

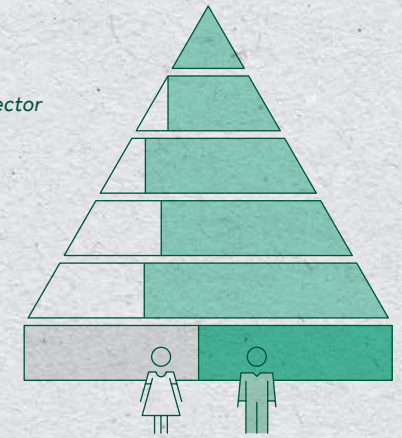
Unit, Area, Market, and Functional Director

Head of Division

Manager

All managers

All employees

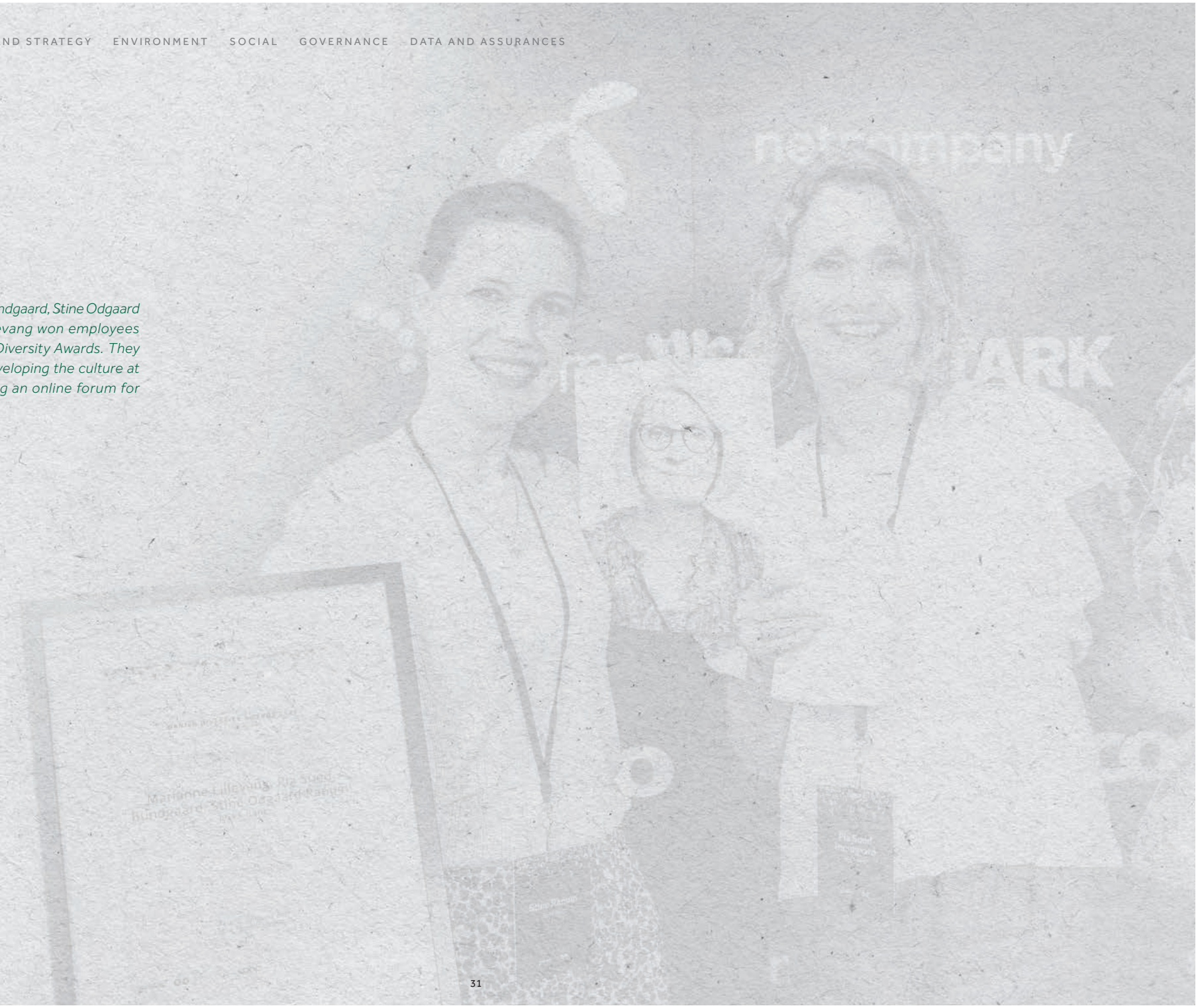


THE UNDERREPRESENTED GENDER IN OTHER MANAGEMENT LEVELS

In 2022, the Bill on more stringent requirements for target figures and policies for the underrepresented gender was adopted. Among other things, this requires large companies to set targets, in addition to the current targets for the Supervisory Board, for the proportion of the underrepresented gender in the two upper management levels under the Board (other management levels) from 1 January 2023.

For Jyske Bank's reporting in accordance with the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms cf. section 135a, refer to Jyske Bank's Annual Report 2022, page 21.

In 2022, Pia Bettina Sund Bundgaard, Stine Odgaard Ranum and Marianne Lillevang won employees of the year at the Danish Diversity Awards. They received the award for developing the culture at Jyske Bank by establishing an online forum for discussing diversity.



IT and data security

Jyske Bank's business model depends to a great extent on the digital exchange of data and information. It is therefore vital that we protect ourselves from hackers, viruses and data theft, etc., and have the right working methods to prevent information from being disclosed or destroyed.

The IT security department guarantees that a high level of IT security is implemented and maintained across the Group.

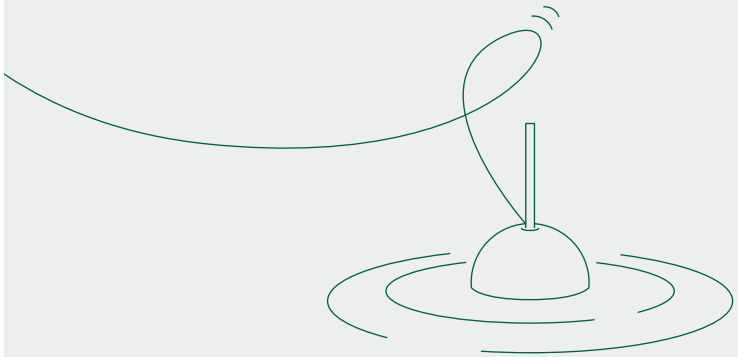
The level is set based on our ambition to achieve and maintain a level of security that is sufficient to safeguard us from the risks that result from IT use and to address the current cyber threat with elements that are "Best in class".

Proactive cyber security
Cyber security is defined as one of the Group's highest priorities, and our efforts cover external threats, as well as internal and external training. Cyber threats represent an ongoing threat to the bank, which is why we are constantly developing, monitoring and optimising our systems.

For example, we monitor who has access to which systems. In addition, the Group's IT security department organises cyber security-related events in which all employees can participate to learn more about concepts such as hacking. The events also draw attention to how hackers attack and specific exercises where employees can practise using different solutions.

The security behind our products
Today's accessibility culture requires companies to process personally sensitive information in the most secure way. Protecting customer information is a necessity for our business model, and it demands a lot from us. In 2022, for example, we launched "Ready to buy in 2 hours", where sensitive personal information from our customers is essential. The bank has provided a platform where customers can safely submit this information. Our processing of customer and personal data is secure and responsible.

Together to reduce risk
For natural reasons, Jyske Bank has dedicated resources for managing cyber threats, but it is important for the bank to ensure that this knowledge is spread across the bank in order to reinforce the general understanding of risk and the culture of cyber security. We do our very best to reduce the overall risk of cyber attacks, and it is a major effort to which all of our employees contribute.



PHISHING SEASON LASTS ALL YEAR ROUND

Hackers and cyber criminals never rest. They take any opportunity to pave the way for their "own business", but there are times when the activity can target specific actions.

To increase awareness of when we as employees need to be particularly vigilant, our IT security department created the "Hacker's Calendar", which provides an overview of the events that typically lead to increased phishing activity.

We successfully shared the calendar's intuitive narrative with our corporate customers to increase awareness of cyber crime among their employees, too. The calendar (in Danish) can be found here: www.jyskebank.com/investorrelations/sustainability

We invited pirates inside Jyske Bank

Normally, hacking is something we at Jyske Bank protect ourselves from. However, at an internal employee event, the hackers – in the form of 150 pirates – were invited inside Jyske Bank as part of a collaboration between the bank's IT security department and AalborgUniversity.

The evening consisted of a competition relating to hacking data, stealing money or assuming someone else's identity. The employees left the event with new knowledge about hackers' tricks and tips.

With a good mix of seriousness and fun, the focus was on hackers' methods and thus on cyber security.

See the film (in Danish) here: www.jyskebank.dk/hackerkonkurrence

Partnerships for well-being and community

Through our various business activities, Jyske Bank contributes to financial security and a good life. Fundamentally, we believe that a good life is also about well-being and social relationships between people, and this is at the heart of our social engagement.

Our overall principle is that we prefer to contribute resources and expertise rather than financial sponsorship. We do this, for example, by entering into untraditional partnerships across sectors.

Focus on food waste and surplus products

At Jyske Bank, we think that it is common sense to utilise resources and reduce consumption in our society, which is currently and will continue to be characterised by scarcity and challenges. This year, our partnership with Danish food bank FødevareBanken reached the milestone of 10 years of collaboration, and we conducted a number of internal and external activities focusing on the partnership.

We invited customers to dinner in connection with the campaign Danmark Spiser Sammen [Denmark Eats Together]. Among other things, our customers heard about our partnerships, the importance of a meal to the sense of belonging and a financial presentation on opportunities for sustainable investments.

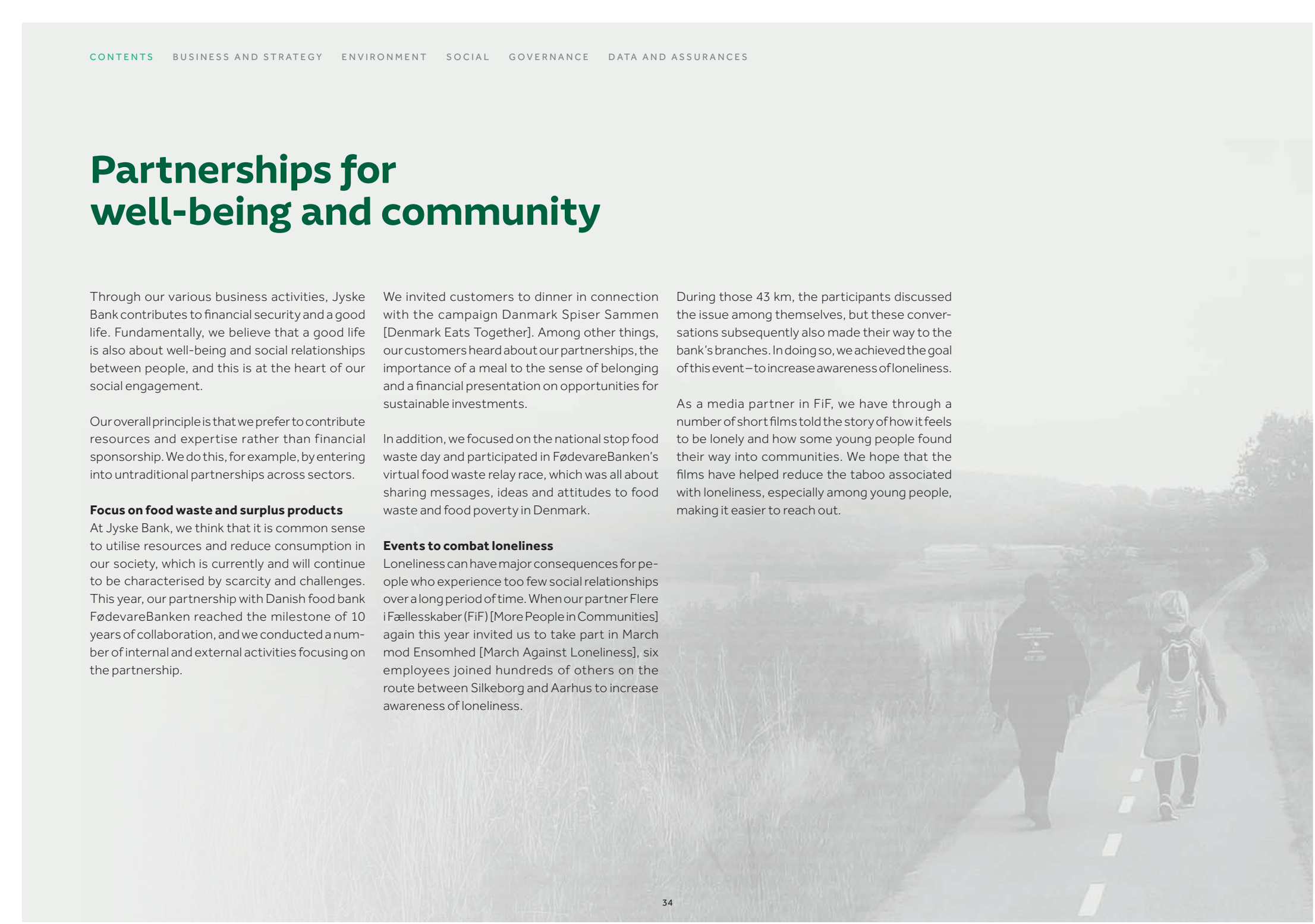
In addition, we focused on the national stop food waste day and participated in FødevareBanken's virtual food waste relay race, which was all about sharing messages, ideas and attitudes to food waste and food poverty in Denmark.

Events to combat loneliness

Loneliness can have major consequences for people who experience too few social relationships over a long period of time. When our partner Flere i Fællesskaber (FiF) [More People in Communities] again this year invited us to take part in March mod Ensomhed [March Against Loneliness], six employees joined hundreds of others on the route between Silkeborg and Aarhus to increase awareness of loneliness.

During those 43 km, the participants discussed the issue among themselves, but these conversations subsequently also made their way to the bank's branches. In doing so, we achieved the goal of this event – to increase awareness of loneliness.

As a media partner in FiF, we have through a number of short films told the story of how it feels to be lonely and how some young people found their way into communities. We hope that the films have helped reduce the taboo associated with loneliness, especially among young people, making it easier to reach out.



We are donating time and human resources

In the autumn of 2022, Jyske Bank in Viborg took part in a very special partnership for the second year in arow: together with leisure counsellors from Viborg Municipality, Viborg FF and Svanerent, we created Den Grønne Bazar [The Green Bazar], where children can get used sports clothes and equipment.

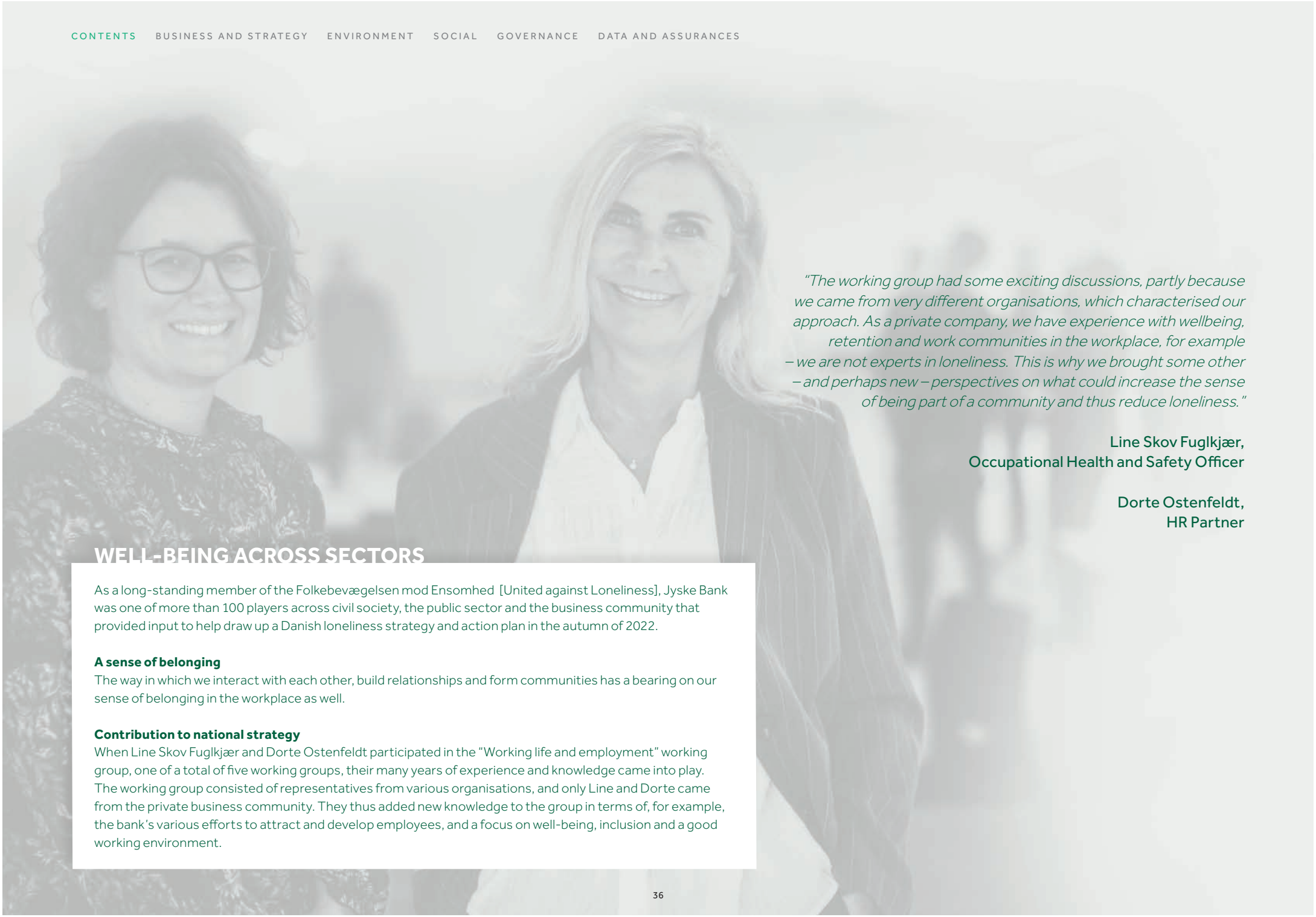
The aim of the bazaar is to get even more children and young people to join the sports community in Viborg Municipality. Children and young people of all ages can stop by and renew their sports wardrobe completely free of charge. The bazaar delights both the more vulnerable target group, for whom access to free sportsequipment can be crucial for feeling like part of the community, and those who want to take care of the climateby recycling.

Jyske Bank contributes time and resources to the running of the Green Bazaar, rather than a financial sponsorship. This benefits both the cohersion in the branch and the city.

See the film (in Danish) here: www.jyskebank.dk/bazar

"In the past, as a local bank, we could give a DKK 10,000 sportswear sponsorship to help some children in a sports club. Today, the challenge is not to buy new sportswear. We face a very different task that requires us to keep sustainability in mind in a variety of contexts. That's why it makes sense for us to contribute resources and not just money to this project."

Rikke Lyng Lauridsen,
Manager at Jyske Bank, Viborg



"The working group had some exciting discussions, partly because we came from very different organisations, which characterised our approach. As a private company, we have experience with wellbeing, retention and work communities in the workplace, for example – we are not experts in loneliness. This is why we brought some other – and perhaps new – perspectives on what could increase the sense of being part of a community and thus reduce loneliness."

Line Skov Fuglkjær,
Occupational Health and Safety Officer

Dorte Ostenfeldt,
HR Partner

WELL-BEING ACROSS SECTORS

As a long-standing member of the Folkebevægelsen mod Ensomhed [United against Loneliness], Jyske Bank was one of more than 100 players across civil society, the public sector and the business community that provided input to help draw up a Danish loneliness strategy and action plan in the autumn of 2022.

A sense of belonging
The way in which we interact with each other, build relationships and form communities has a bearing on our sense of belonging in the workplace as well.

Contribution to national strategy
When Line Skov Fuglkjær and Dorte Ostenfeldt participated in the "Working life and employment" working group, one of a total of five working groups, their many years of experience and knowledge came into play. The working group consisted of representatives from various organisations, and only Line and Dorte came from the private business community. They thus added new knowledge to the group in terms of, for example, the bank's various efforts to attract and develop employees, and a focus on well-being, inclusion and a good working environment.

S
SOCIAL

Progress and efforts

Progress in 2022

An attractive workplace
- Implementation and consolidation of 'On your feet'-campaign
- Focus on preventing threats and violence
- Follow-up on personal health screening
- More than 50% of employees have completed the MINDstrain course
- Introduction of dialogue tool for maternity leave
- A greater focus on recent graduates in connection with transition from educational institution to workplace
- Onboarding programme for new employees
- Establishment of network groups for various employee groups
- Target for gender diversity in two upper management levels set (15% women) by 2025
- Establishment of a broadly-based diversity committee
- 27 employees engaged in volunteering as part of a newly established scheme for Ukrainian refugees
- Five Ukrainian refugees with temporary residence permits employed by the Group

IT and data security
- Five internal events with a focus on cyber security held
- Optimising security in relation to submitting sensitive personal data via platform available to customers
- Internal knowledge sharing around understanding risk and culture around cyber security
- Production of a "hacker's calendar", internal and external focus on IT security
- 97% of new employees have completed a learning module in cyber security
- 81% of selected IT developers have completed workshops on IT security
- No loss or failure due to cyber incidents or attempted attacks not caught in the act or prevented

Social engagement
- Communal meals held in three towns
- Participation in activities and production of films for More People in Communities
- Sharing of experience and knowledge in connection with the national loneliness strategy
- Awareness of national food waste day – internally and externally
- The contribution to FødevareBanken has delivered 1,562 tonnes of surplus food, equating to 3.9 million meals, for socially disadvantaged people
- Container deposits collected in the bank's departments have been donated to the Red Cross

Efforts in 2023

- Continued focus on movement and variation in a sedentary working day
- Roll-out of "Proactive Early Care" in the event of more than 14 days of sick leave
- Facilitating the established networks across the organisation and between training positions.
- Attracting new candidates to the organisation, e.g. through networking, relationships and communication with educational institutions
- Holding quarterly diversity committee meetings
- Extention of agreement with MINDstrain in order to reach more employees

- Focus on identifying and managing the bank's exposure to risk
- Additional cyber resiliency efforts through the bank's use of technology
- Further training of employees and further reinforcement of specific knowledge related to cyber and information security
- Interdisciplinary knowledge sharing in the sector through various fora and seminars relating to cyber and information security

- Developing the concept of Danmark Spiser Sammen events for a wider audience
- Communal meals in connection with Danmark Spiser Sammen in at least four cities
- Producing several films for More People in Communities
- Internal and external campaign in connection with the national stop food waste day
- Developing new activities in partnership with FødevareBanken
- Collect container deposits and donate the money to the Red Cross

G

GOVERNANCE

We have our own house in order

MED LOV SKAL MAN LAND BYGGE

Healthy corporate culture

As a systemically important financial institution, Jyske Bank is aware of and strives to live up to the Group's social significance. That is why we endeavour to run a sustainable and responsible business in all respects. It is about complying with the legislation in force at any given time and meeting the expectations that our stakeholders rightly have of us.

We want to avoid short-term and one-sided arrangements that only cater to certain stakeholders. We do not compromise on our responsibility, and this is always prioritised over our earnings. There must be no doubt that what we offer customers serves the customer's interest and needs. Therefore, for example, we have opted out of direct performance-based fees.

Values, but also policies

The foundation of our corporate culture is the values that bind us together and govern our actions towards each other and towards others.

Day-to-day, our actions are also governed by legislation and guidelines targeting certain areas within a healthy corporate culture. For example, responsible advice, tax, data ethics and remuneration. A policy designed to ensurer a healthy corporate culture acts as an umbrella covering various conditions in relation to running a responsible business.

We want to be as transparent as possible, both internally and externally, and therefore publish relevant policies and data, and we always cooperate with authorities – whether in accordance with supervision, procedures or specific matters. If mistakes are made, we are open about these and correct and learn from them.

Anti-bribery and anti-corruption

Jyske Bank accepts no forms of bribery, corruption, nepotism or other improper business practices. A dependence must not arise to the detriment of the employee and Jyske Bank.

In Denmark, it is not a legal requirement to have an anti-bribery and corruption policy, but it is to a great extent an area where our international business partners in particular appreciate our efforts. Therefore, in 2022 we have expanded our policy for a healthy corporate culture so that it is more comprehensive in terms of anti-bribery and corruption from the perspectives of various stakeholders, primarily customers, employees and suppliers.

Security in data processing

The data processed by the Jyske Bank Group consists to a large extent of personal data, the majority of which originates from customers. The use of customer data, combined with data on products and services, prices and business rules, is a fundamental prerequisite for our business model. It is therefore absolutely crucial that customers feel assured that our processing of this data is done with respect, care and in accordance with the law.

Data ethics in development tasks

In 2022, we implemented a number of initiatives that anchor knowledge of and therefore a position on data ethics issues as a permanent part of our product and system development in the Jyske Bank Group. Those responsible for development initiatives will thus be made aware of the subject as a natural part of the development process, in the same way as they are of issues such as risk management, good practice and numerous other matters.

Responsible procurement

A healthy corporate culture is about what we do in our own right and in relation to our customers, but also about how we act in relation to our suppliers and business partners. We assess our suppliers and the products and services that we buy but are also assessed ourselves when, for example, we enter into agreements to distribute other parties' financial products.

Jyske Bank's purchase of goods and services amounts to more than DKK 1.5 billion a year (incl. IT services at Bankdata and JN Data). Purchases are made on the basis of principles laid down in Jyske Bank's procurement policy. The principles must ensure the price, quality and conditions, but also that the necessary ethical, environmental, political and social considerations are taken into account.

Increasing societal expectations for what it means to act responsibly and sustainably in relation to suppliers have meant that in 2022 we took the first steps to further develop the work on responsible supplier behaviour. The work will continue in 2023 and will most likely lead to a revision of the procurement policy.

Progress without performance-based remuneration

At Jyske Bank, we have never made use of direct performance-based remuneration, because we believe that it can lead to short-term and unilateral decisions that may be to the detriment of customers', shareholders' and the Group's long-term value creation, needs and targets. Remuneration of the management at Jyske Bank is thus not dependent on sustainability targets, either.

When the management does not receive a bonus, it can become difficult to link management remuneration and ESG performance, as set out by the European Commission in its comprehensive directive proposal entitled "Corporate Sustainability Due Diligence". The directive will mean that in future all management decisions must take into account the consequences for the environment, climate and human rights in the short, medium and long term.

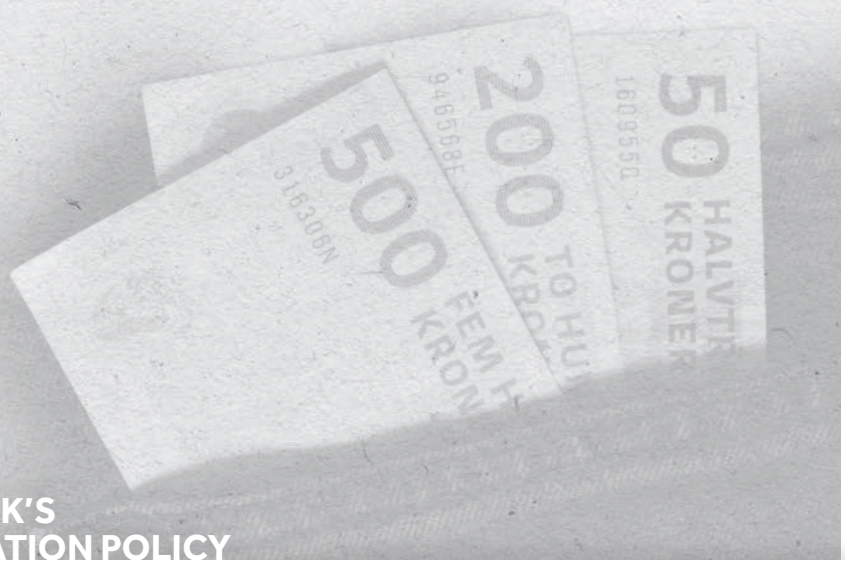
Companies must also ensure that their business model and strategy are in line with the transition to a sustainable society, and the management remuneration must reflect this.

Jyske Bank's remuneration policy already rewards responsible behaviour and supports the Group's strategic mission by ensuring, among other things, the proper focus on sustainability and corporate social responsibility.

We also see opportunities other than just remuneration that can ensure a focus on sustainability. For example, incorporating impact on society in the annual employee reviews for all employees.

"No one has ever sold a product in order to line their own back pocket, because we have no bonuses or incentive schemes at Jyske Bank."

Anders Dam, CEO



JYSKE BANK'S REMUNERATION POLICY

The remuneration for all employees in the Group – including management – is primarily based on fixed salary elements.

Jyske Bank's remuneration policy contributes to ensuring the realisation of the Group's business-strategic mission, vision, and objectives by:

- Rewarding value-creating, competent and responsible conduct
- Supporting productivity and job satisfaction
- Promoting sound and efficient risk management
- Ensuring proper focus on sustainability and corporate social responsibility
- Preventing conflicts of interest and strengthen the obligation to act in the best interest of the clients
- Ensuring equal pay for equal work

Prevention of financial crime

The prevention of financial crime and efforts to prevent money laundering and the financing of terrorism are a top priority at Jyske Bank. We want to prevent the bank from being misused for illegal purposes in every respect, which is why we actively and continuously work with several areas of effort, such as customer due diligence, customer connections with Denmark, transaction monitoring and efforts against fraud. In 2022, efforts in these areas can be emphasised in particular:

- Improved customer due diligence
  The bank has focused on improving customer due diligence and the customer due diligence processes for our personal customers by implementing new user interfaces for collecting information in the mobile bank. First and foremost to give our customers an easier and more flexible way to submit information to the bank, but also to ensure that Jyske Bank has up-to-date customer information.

- Connection to Denmark
  Customer due diligence for foreign customers without a natural connection to Denmark is more difficult to maintain at the desired level. In 2022, we reduced Jyske Bank's risk of being misused for money laundering by, for example, increasing customer awareness of and reducing the scope of foreign customers without a natural connection to Denmark. The bank's efforts to reduce the size of this customer group will extend into 2023.

- Sanctions
  At present, Jyske Bank generally accepts transfers to and from Russia for its own customers, provided that the individual transfer does not violate international sanctions. To counter the risk of violating sanctions, we introduced a check in 2022 where we specifically deal with – and manually review – every single transfer to and from Russia. This effort will continue into 2023.

Handelsbanken
As part of acquiring Handelsbanken's Danish activities, there will be a migration of Handelsbanken's customers to Jyske Bank's data centre in November 2023. In connection with this, work will be carried out to ensure that the customer due diligence for the acquired customers satisfies Jyske Bank's requirements.

Orders from the Inspection by the Danish Financial Supervisory Authority
In the autumn of 2022, Jyske Bank received a report from the Danish Financial Supervisory Authority with nine orders that primarily relate to a minor portfolio of mortgages in Southern Europe. In connection with this, Jyske Bank has been reported to the police by the Danish Financial Supervisory Authority. We have taken note of the orders, and the specific deficiencies in the management of the portfolio were rectified as soon as they became known. It is expected that the last orders will be resolved before the end of first quarter of 2023.

JYSKE BANK'S ORGANISATION: THE PRIMARY UNITS IN ANTI-MONEY LAUNDERING EFFORTS

Branch network
When new customers join the bank, employees in the branch network collect and record customer due diligence information. This is continuously updated. Employees are trained to be aware of signs of money laundering and financing of terrorism, and to ensure that suspicions are passed on to the relevant central unit within the bank.

'Customer due diligence' and 'Anti-money laundering'
The Customer Due Diligence and Anti-Money Laundering area comprises, among other things, the two central divisions Know Your Customer (KYC) and Anti-Money Laundering (AML).

KYC checks customer due diligence information for customers onboarded at Jyske Bank via the branch network and ensures that customer due diligence is regularly maintained in line with Jyske Bank's guidelines.

AML manages the continuous automated monitoring of our customers' transactions. The division investigates alarms generated by the monitoring. If an investigation of an alarm results in a suspicion of the involvement of a customer in money laundering or financing of terrorism that cannot be disproved, AML notifies the Money Laundering Secretariat (a unit under the police) of this.

Anti-Money Laundering & Sanctions
Anti-Money Laundering & Sanctions is a division within the Legal unit intended to ensure implementation of the legislation in this area. This division is also responsible for approving politically exposed persons (PEP).

Compliance
In the area of anti-money laundering, Compliance checks, among other things, whether the branches are complying with applicable legal obligations and internal procedures.

Risk management

Managing financial as well as non-financial risks is an integral part of running a bank. Management of financial risks, such as credit risk and market and liquidity risk, has matured over many years, whereas management of non-financial risks is still under development to a greater extent. In recent years, there have been increasing demands and expectations for the management of non-financial risks, be it from supervisory authorities or from customers, investors and employees.

Non-financial risks
As shown in the table, non-financial risks consist of a diverse and complex set of risks that can concern virtually all types of activities – both internal and business.

Non-financial risks

In Jyske Bank's efforts to run a sustainable and responsible business, attention is given to the non-financial risks that can cause the bank significant financial or reputational losses. For example:

Financial crime	Information security	Employee behaviour	Employment conditions
• Money laundering and financing of terrorism • Bribery and corruption • Control errors in connection with KYC and transaction monitoring	• Data loss • Data security breaches • Cyber risk	• Mis-selling • Improper distribution/marketing • Breach of the code of conduct	• Violation of employment legislation • Unsatisfactory physical and mental working environment • Inadequate safety in the workplace

What the non-financial risks have in common is that they have the potential to cause Jyske Bank business losses, reputational damage, customer defection, recruitment difficulties, increased return requirements, lower ESG ratings and therefore poorer access to investors. In addition, failure to satisfy legal requirements may result in charges, injunctions, fines and police reports. Therefore, the management of these risks is essential.

Management and reporting
Jyske Bank has a Group-wide framework for managing non-financial risks. This framework is used to continuously identify, assess and manage non-financial risks across the Group. In other words, to identify which risks may cause significant losses, assess how and to what extent they will have an impact, and ascertain the extent to which sufficient mitigation actions have been taken.

A risk taxonomy is used in the management that provides a consistent categorisation of risks across the Group's processes and organisational areas. There is thus a comprehensive risk management process and governance to ensure that these risks are managed in accordance with the policy for operational risk and that there is continuous reporting on this to the Group's management.

The reporting ensures that the Board is continuously informed about whether the established risk appetite for non-financial risks has been complied with.

Climate risks are managed separately with a view to integrating these risks into the existing set-up for the other risk types, which is in accordance with EBA's guidelines.

Jyske Bank's work on climate risks is described on page 22 of this report.

Management and organisation

Jyske Bank's governance structure for sustainability establishes clear roles and areas of responsibility, ensuring that the entire business works together towards common targets.

Supervisory Board
Has overall responsibility for the bank's strategy and policies on sustainability
Supervisory Board addresses and takes a position on sustainability-related topics and reassesses the level of ambition annually

Internal audit
Area of responsibility includes e.g. testing operational risks and the effectiveness of the control environment for policies, business procedures and business processes

Audit committee
Area of responsibility includes e.g. monitoring and assessment of the control environment and reporting

Risk committee
Area of responsibility includes e.g. climate risks and climate stress test

Executive Board
Responsible for sustainability and corporate social responsibility across the organisation. Has the overall responsibility for prioritising efforts, implementation and compliance with policies

Sustainability committee
Sets the framework and direction for this work based on the Group's level of ambition
The committee meets every quarter, or more often if necessary. Number of meetings in 2022: four

The committee consists of two members of the Executive Board, the CFO and the Head of IR and Sustainability

Business and support units
Have responsibility for operations and the integration of sustainability into the Group's business activities.

Development of new products

IR and Sustainability department
Responsible for driving and coordinating the overall sustainability agenda in the Group.

Ensures coherence between strategic initiatives and progress reporting for these

Risk unit
Identifies, assesses, and manages all significant risks in internal and external matters, including climate risks.

Reports to relevant stake- holders and decision-makers

G
GOVERNANCE

Progress and efforts

Progress in 2022

Preventing financial crime
- Implementation of tighter business processes and exclusion of customers who do not have a natural connection to Denmark has been initiated
- Initiated processes to ensure greater transparency in the ownership and control structure of foreign customers
- Improved monitoring of customer transactions through implementation of new monitoring scenarios
- All employees with customer contact have undergone anti-money laundering training

Risk management
- Analysis of the risk of storm flooding for private owner-occupied homes in Jyske Bank's portfolio
- Analysis of Jyske Bank's sensitivity to selected CO_2-intensive industries

Healthy corporate culture
- Implementation of measures to ensure knowledge of and a position on data ethics in relation to development tasks
- Analyses of the Group's purchases carried out, and additional ESG considerations included in a few selected contracts

Efforts in 2023

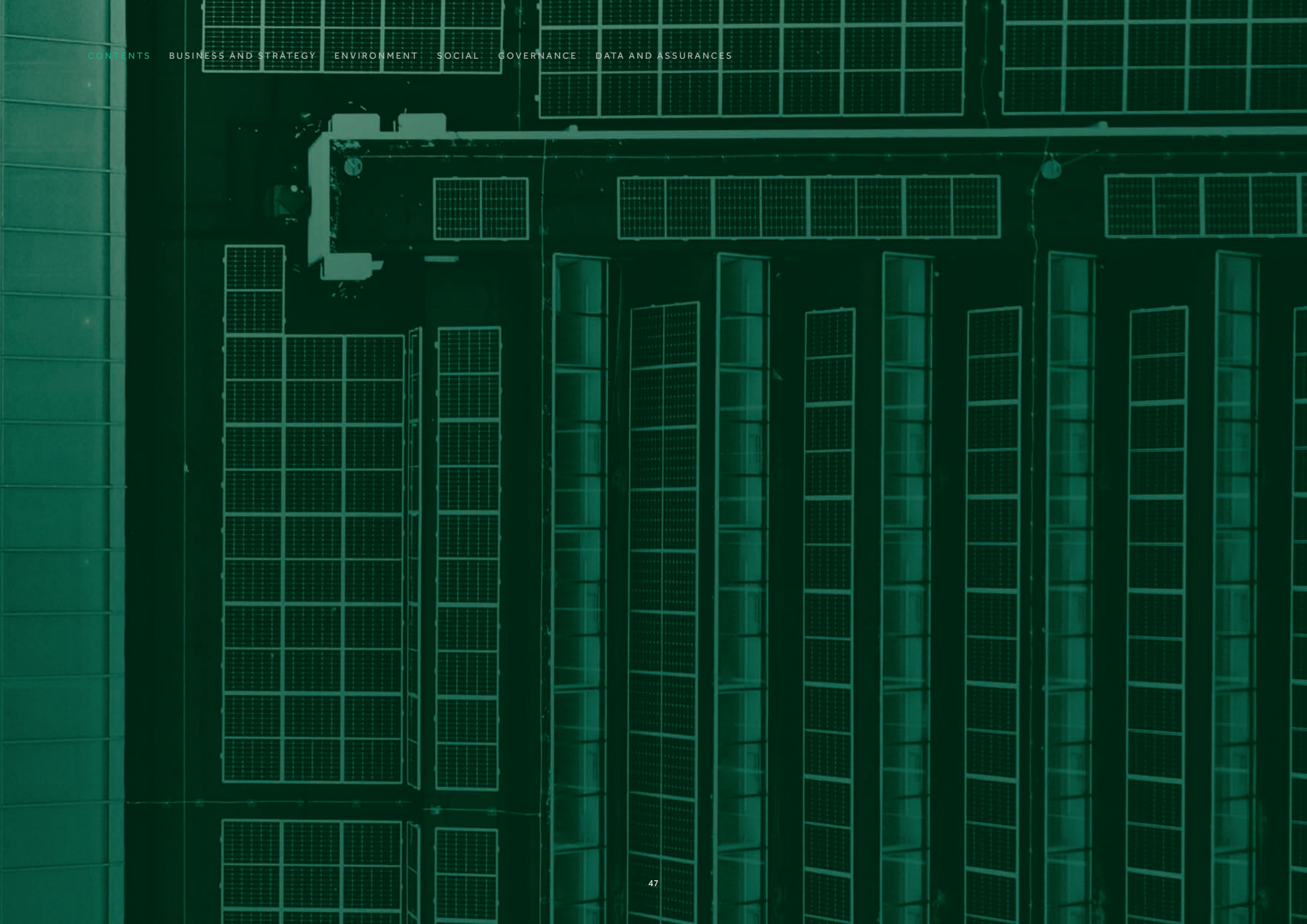
- Streamline the customer due diligence process for both personal and corporate customers by focusing on new user interfaces
- Continued focus on exclusion of customers without an obvious connection to Denmark
- Limit the risk of money laundering via use of cash
- Continue to improve monitoring, including use of both new monitoring scenarios and tools for employees

- Prepare the first climate stress test with focus on transition risks based on Network for Greening the Financial System scenario on Net Zero in 2050
- Incorporation of fixed KPIs for the quarterly risk reporting on climate risks

- Updating of procurement policy with additional ESG conditions
- Further update of the Policy promoting a healthy corporate culture
- Integrate additional conditions regarding anti-bribery and corruption in the bank's policies

"We have to act now and make the right decisions in order to meet our targets, regardless of whether a share is to be replaced in an investment portfolio, or whether an adviser is to encourage a lending customer to make a change."

Anders Dam,
CEO



Data and assurances

ESG KPIs

		Unit	2022	2021	2020	2019	2018
Environment	Scope 1	tonnes of CO_2	603	655	679	703	-
	Scope 2	tonnes of CO_2	1,527	1,841*	1,957*	2,179*	-
	Scope 3	tonnes of CO_2	1,848,817	2,050,284*	2,648 *	3,264*	-
	Water consumption	m^3	17,775	17,357	-	-	-
	Waste	kg	559,408	-	-	-	-
	Energy consumption	GJ	68,752	78,957	72,532	78,431	-
	Energy intensity per FTE	GJ/FTE	21	24	22	22	-
	Renewable energy share	%	83.8	73.7	75.3	74.1	-
Social	Full-time workforce	FTE	3,284	3,257	3,349	3,614	3,723
	Gender diversity	%	46.8	47.3	48.0	49.3	49.7
	Gender diversity in management	%	27.2	25.8	26.4	29.4	29.3
	Pay difference between genders	Times	1.18	1.18	1.18	1.18	1.16
	Employee turnover	%	10.6	11.8	14.7	10.7	11.4
	Sickness-related absence	Days/FTE	7.0	5.9	5.3	5.5	5.7
	Job satisfaction	1–100	78	76	74	-	77
	Total tax contribution	DKKm	2,042	1,312	1,153	1,378	1,075
	Current tax recognised	DKKm	1,566	842	730	937	640
	Payroll tax	DKKm	318	320	308	314	297
	VAT	DKKm	149	140	105	116	123
	Real property tax	DKKm	9	10	10	11	15
Governance	Supervisory Board gender diversity	%	33.3	44.4	36.4	27.3	33.3
	Attendance at Board meetings	%	97.4	97.7	97.3	93.4	93.1
	Difference in pay between CEO and employees	Times	14.9	14.9	14.9	13.8	15.0

* Comparable figures have been restated. Please refer to Changes in practice in Accounting policies on page 52.

CO_2 accounts

Tonnes of CO_2	2022	2021	2020	2019
Scope 1	603	655	679	703
Vehicles	256	189	204	290
Heating	347	467	475	413
Scope 2 – location-based	1,527	1,841	1,957	2,179
Scope 2 – market-based	404	529	513	672
Electricity – location-based	1,123	1,312	1,444	1,507
Electricity – market-based	0	0	0	0
District heating	404	529 *	513*	672*
Scope 3	1,848,817	2,050,284	2,648	3,264
Category 1: Purchase of goods and services	98	103	73	117
Category 5: Waste	108	-	-	-
Category 6: Business travel	846	471	559	1,156
Category 7: Employee commuting	3,018	-	-	-
Category 13: Downstream leased assets	255,464	218,775*	-	-
Category 15: Investments	1,589,283	1,830,935	2,016	1,991
Financed emissions	1,588,916	1,830,582	-	-
JN Data and Bankdata	367	353*	2,016*	1,991*

* Comparable figures have been restated. Please refer to Changes in practice in Accounting policies on page 52.

THE JOINT CO_2 MODEL

We use the financial sector's common CO_2 model for estimating financed emissions in scope 3. The model consists of a number of principles for how CO_2 emissions for lending and investments can be estimated.

In some cases, a financial institution's CO_2 emissions are affected by external factors. For example, the financial institution's share of the emissions for a property will depend on mortgage loan to value on it and thus also on property price trends. Rising property prices do not result in any change in the total emissions of properties, but they do result in a lower loan-to-value ratio and thus a smaller share of the emissions are attributed to the financial institution. Conversely, falling property prices will mean that a larger share of the emissions are attributed to the institution.

Another example is society's general transition to renewable energy in the electricity and heat supply. The transition means lower emission factors and thus lower overall emissions from properties, which also affects the carbon accounting for the financed emissions.

Reporting under the EU Taxonomy Regulations

According to Article 8 of the EU Taxonomy Regulation with delegated acts, Jyske Bank is obliged to report the proportion of taxonomy-eligible and non-eligible activities for the first two environmental objectives of the Regulation. Jyske Bank's mandatory reporting as at 31/12/2022 can be seen below. The total covered assets used for the calculation of the KPIs amount to DKK 650.9 bn and account for 86% of total assets as at 31/12/2022. A further description of the calculated KPIs can be found in the section Accounting policies on page 52.

Reference to the delegated act		Proportion	Definition
Article 10(3)(a)	Exposures subject to the taxonomy (taxonomy eligible)	29%	Activities with financial and non-financial NFRD undertakings, households and local public institutions covered by the EU Taxonomy divided by total covered assets
Article 10(3)(a)	Exposures not subject to the taxonomy (taxonomy non-eligible)	25%	Activities with financial and non-financial NFRD undertakings, households and local public institutions not covered by the EU Taxonomy divided by total covered assets
Article 10(3)(b)	Exposures in central governments, central banks and supranational issuers	12%	Exposures to central governments, central banks and supranational issuers, divided by total covered assets. Please note that these exposures are not included in total covered assets
Article 10(3)(b)	Exposure in derivatives	4%	Derivatives divided by total covered assets
Article 10(3)(c)	Exposures to non-NFRD undertakings	39%	Exposures to non-NFRD undertakings divided by total covered assets
	Trading portfolio and interbank loans on demand	5%	Trading portfolio and interbank loans on demand divided by total covered assets

Reference to the delegated act	Qualitative information in accordance with Annex XI to the delegated act	Definition
Article 10(3)(d)	Contextual information in support of the quantitative indicators, including the application of assets and activities covered by the KPIs, information on data sources and limitations	The calculation is based on the data for the Jyske Bank Group's reporting under Regulation (EU) No 2021/451 (FINREP). For personal customers, mortgages and home loans as well as car loans granted after 1 January 2022 are considered taxonomy eligible. Exposures to NFRD undertakings is weighted by the undertakings lastest reported eligibility KPI's
	Explanations of the nature and objectives of Taxonomy-aligned economic activities and the evolution of the Taxonomy-aligned economic activities over time, starting from the second year of implementation, distinguishing between business-related and methodological and data-related elements	Not applicable in 2022 reporting
	Description of the compliance with Regulation (EU) 2020/852 in the financial undertaking's business strategy, product design processes and engagement with clients and counterparties	For most lending areas in Jyske Bank Green Finance Framework definitions are closely related to the definitions in the EU taxonomy, and we expect to strengthen this relationship continuously. As a result of the implementation of MiFID in 2022, sustainability has become a central element in the dialogue with investment clients. Likewise, sustainability is becoming an increasing part of the dialogue with corporate clients and other stakeholders
	For credit institutions that are not required to disclose quantitative information for trading exposures, qualitative information on the alignment of trading portfolios with Regulation (EU) 2020/852, including overall composition, trends observed, objectives and policy	Not applicable

Accounting policies

General

ESG KPIs have been worked out in line with the guidance from FSR – Danish Auditors, CFA Society Denmark and Nasdaq, which was published in June 2019 (updated in December 2022).

Changes in practice

In the statement for 2022, the following changes compared to previous statements have been introduced:

Jyske Bank's share of JN Data's emissions is divided between category 13 Leased assets and category 15 Investments – JN Data and Bankdata in scope 3, as emissions from the property that Jyske Bank leases to JN Data have been moved from category 15 Investments – JN Data and Bankdata to category 13 Leased assets. Based on this change of policy, emissions for 2021 have been restated in scope 3 category 13 Leased assets (increased by 4%) and category 15 Investments – JN Data and Bankdata (reduced by 81%). Due to lack of consumption data no restatement has been made for 2019 and 2020.

We have observed that delivered surplus heating to Silkeborg Forsyning has been included in the statement of emissions for district heating for JN Data in category 15 Investments – JN Data and Bankdata. This has been corrected in 2021 (increased by 9%) while due to the lack of data no emissions are calculated for district heating for JN Data for 2019 (increased by 10%) and 2020 (increased by 7%).

Given access to newer data the source for emissions factors for district heating has been changed in 2022. Emissions from district heating in scope 2 District heating have been restated in 2021 (reduced by 44%), 2020 (reduced by 27%) and in 2019 (reduced by 19%). The effect on scope 3 category 13 Leased assets and category 15 Investments – JN Data and Bankdata, related to the new emission factors, are insignificant.

Environmental data

Reporting and calculation of CO_2 emissions are divided according to the GHG Protocol's definitions of scopes 1–3. CO_2 emission factors from the Danish Business Authority's Climate Compass (Klimakompasset) have been used to calculate emissions unless otherwise specified. Consumption data has been calculated for the period 01/01/2022–31/12/2022 unless otherwise specified.

Scope 1

The CO_2 emissions come from heating with natural gas and the use of the bank's vehicles.

Vehicles

The category includes the bank's own vehicles, including loan and company cars. Starting from 2022, emissions from the Group's cars use WLTP emission factors rather than NEDC factors, which were used previously. The effect of the change is assessed to be insignificant. The emissions from cars are calculated on the basis of kilometres driven and the WLTP emission factor for the individual car model. For company cars, no distinction is made between business and private driving, which means that all kilometres driven in company cars are recognised in scope 1.

Heating

The heating category includes heating with natural gas, which is calculated using the emission factor for emissions per m^3.

Scope 2

CO_2 emissions for electricity and district heating from external suppliers.

Electricity

Emissions are calculated according to the GHG Protocol's two methods: market-based and location-based. In the market-based method, the Group's electricity consumption is offset by the electricity produced by Jyske Banks Vindmølle. If the electricity consumption exceeds the production of electricity, the emission factor from the electricity declaration from Energinet is used to calculate emissions. In the location-based method, average emission factors from the environmental label from Energinet are used.

District heating

23% of Jyske Bank's district heating consumption for 2022 is estimated based on 2021 consumption, as this consumption concerns properties that Jyske Bank rents, and final heating statements for 2022 are not yet available. Emission factor is based on data from the Danish Energy Agency.

Scope 3

CO_2 emissions in scope 3 are divided into 15 sub-categories in the GHG Protocol. As of 2022, we have included emissions from the Group's waste and employee commuting. Thus, the CO_2 emissions for the following are included in scope 3 for 2022; Category 1. Purchased goods and services; Category 5. Waste generated in operations; Category 6. Travel; Category 7. Employee commuting; Category 13. Downstream leased assets, and Category 15. Investments.

Purchased goods and services

This includes paper consumption based on printed paper in kg, which is converted to emissions using an emission factor.

Waste generated in operations

Latest waste data is received from the Danish Environmental Protection Agency and converted to CO_2 emissions with emission factors. Data from 2021.

Business travel

Business travel includes the Jyske Bank Group's travel by air and public transport, work-related driving in employee cars, taxi rides and transport by ferry. When calculating emissions from air travel, a distinction is made between domestic and international travel when selecting an emission factor. Emissions from train and taxi journeys, as well as transport by ferry, are based on costs incurred (spend-based method) divided by random sample-based DKK per kilometre. Emissions from driving employee cars are based on recorded kilometres driven and Statistics Denmark's' average WLTP emission factor for 2021.

Emissions from employee commuting

Data on employee commuting was collected via a questionnaire sent to all employees in the Group. The response rate was 83%. For commuting by car, the car's WLTP emission factor was used; for commuting by public transport, the average emission factor for the means of transport (bus/train/underground) from the Climate Compass (Klimakompasset) was used. Commuting for unanswered questionnaires is estimated as an average of the responses received.

Downstream leased assets

Jyske Bank leases properties in whole or in part to several companies. Consumption data is received from lessees and includes the companies' consumption of: natural gas, district heating and electricity. Emissions are calculated with the same emission factors as used in the Group's scopes 1 and 2. The category also includes emissions from the leasing portfolio (both operational and financial leasing) with Jyske Finans. Emissions are calculated in accordance with Finance Denmark's CO_2 model. For leasing to corporate customers, the emission factors are based on data from Denmark's Statistics and company-specific data where available. WLTP emission factors are applied for leasing to personal customers..

Investments

Financed emissions

The category consists of the Jyske Bank Group's financed CO_2 emissions from loans, asset management and own investment portfolio. Emissions are calculated in accordance with Finance Denmark's CO_2 model.

Loans

Emissions are estimated for 93% of the Group's on-balance loans. For business loans, the emission factors are based on data from Denmark's Statistics and company-specific data where available. Emissions from mortgage loans are estimated based on the property's EPC. If not available, the estimate is based on other information about the individual property. For car loans to personal customers, the WLTP emission factor for the specific car is applied.

Assets under management

Emissions are estimated for 87% of assets under management excluding funds of funds and advisory solutions. For equities and corporate bonds, emission data from MSCI are applied. For mortgage bonds, data from the individual mortgage credit institution or estimated data are used for estimation of emissions. For other holdings, emission factors are based on data from Denmark's Statistics.

Own investment portfolio
Emission is estimated for 91% of the own investment portfolio. Emissions are estimated on the same basis as assets under management.

For further information on the method for estimating financed emissions, please refer to the methodology document on impact analysis on our website.

Bankdata and JN Data
Category 15 includes JN Data and Bankdata's scope 1 and 2 emissions minus emissions in Jyske Bank's buildings leased to Bankdata and JN Data (category 13) weighted by Jyske Bank's ownership interest in Bankdata and JN Data.

Water consumption
Water usage is estimated based on an average m^3 per FTE for five locations in the Jyske Bank Group. The five locations are: Helsingør, Sønderborg, Horsens, Hillerød and Svendborg. The locations are all properties owned by Jyske Bank and are branches with customer access. An average m^3 per FTE is then multiplied by the total number of FTE in the Group.

Waste
The amount of waste is estimated on the basis of waste per employee for the locations: Hirtshals, Risskov, Roskilde, Svendborg and Holbæk. The reported amount of waste for these locations includes only waste from Jyske Bank, while other Jyske Bank locations share waste containers with other companies or private households. Data for waste can be obtained from the Danish Environmental Protection Agency's data hub. Average waste per employee for the 5 locations is multiplied by the total number of employees in the Group. Waste data has been calculated for the period 01/01/2021 – 31/12/2021

Energy consumption
The total energy consumption in gigajoules from gas, district heating and electricity.

Energy intensity per FTE
Total energy consumption for 2022 divided by the number of full-time equivalents (FTE) as of 31/12/2022.

Renewable energy share
The renewable energy share is calculated based on the share of renewable electricity and district heating in relation to the total energy consumption. The renewable energy share of district heating is calculated annually by the Danish Energy Agency in energy statistics. For the calculation of the renewable energy share, the production of renewable energy by Jyske Banks Vindmølle A/S from 01/01/2022 to 31/12/2022 is factored in, which covers the Group's total electricity consumption.

Social data
Social data regarding employees, management, salaries, etc. exclusively covers the Jyske Bank Group. Unless otherwise specified, social data is calculated as at 31/12/2022.

Full-time equivalents (FTE)
Full-time equivalents include permanent and temporary employees.

Gender diversity
Number of women in relation to the number of employees. Both permanent and temporary employees are included in the calculation.

Gender diversity in management teams
Number of female managers in relation to the total number of managers in the bank. Managers are defined as members of the Executive Board and employees with personnel responsibility and/or professional responsibility.

Difference in pay between genders
Median salary for men in relation to median salary for women. Median salary includes salary, special holiday allowance, pensions, care days and, if applicable, other allowances and value of company car.

Employee turnover rate
Number of resignations in the year in relation to the average number of permanent employees as at 01/01/2022 and 31/12/2022.

Job satisfaction
Calculation from the Employee Survey prepared by Ennova. The index score is an average of four satisfaction and motivation questions. The survey covers all employees in the Group.

Absence due to illness
Total number of registered employee sick days in relation to FTE. Employee sick days include the employee's own absence due to illness, child illness and partial illness. Maternity leave is not included.

Total tax contribution
Current tax recognized, payroll tax, VAT and property tax.

Management data
The management data covers data for the Jyske Bank Group only.
Data is calculated as at 31/12/2022.

Board of Directors' gender diversity
Proportion of female board members in relation to the number of members on the board. Members elected by the employees are included in the calculation.

Attendance at board meetings
Number of board meetings where the individual board member has been in attendance, in relation to the total number of board meetings held.

Pay difference between the CEO and employees
The CEO's total remuneration (incl. seniority pay) in relation to the median salary for employees.

EU taxonomy
The reporting has been prepared in accordance with Article 10(3) of the Commission Delegated Regulation (EU) 2021/2178 to Article 8 of the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (EU taxonomy). The reporting is based on annexes V and VI of the Delegated Regulation and the EU Commission's FAQ of 20 December 2021 and notice on interpretation (2022/C 385/01).

Calculation of the key figures is based on the same data basis as the Group's reporting in accordance with EU 2021/451 (FINREP), as well as reported data from those of the Group's financial and non-financial corporations who are subject to reporting in accordance with the EU taxonomy regulation.

Definition of reported key figures:

Total covered assets (denominator)
The Group's total assets less exposures in central banks, central governments, supranational issuers and the trading portfolio.

Exposure subject to the taxonomy (taxonomy eligible)
The sum of leasing and financing passenger cars, mortgages and home loans for personal customers, and exposures to undertakings covered by the NFRD weighted by the customers' most recently reported key figures divided by total covered assets.

The technical screening criteria under Commission Delegated Regulation (EU) 2021/2139 describe *Acquisition and ownership of buildings* in activity 7.7, while activity 6.5 *Transport by motorbikes, passenger cars and commercial vehicles* covers the financing of vehicles in class M1 (passenger cars). Therefore, exposures with mortgages for personal customers and personal customers' financing of passenger cars are considered to be EU taxonomy eligible.

Exposures to non-financial undertakings with unknown use of proceeds are weighted by the share of the counterparty's revenue-based KPI. Loans with known use of proceeds are included up to full value where documentation is available from the counterparty.

Exposures not subject to the taxonomy (taxonomy non-eligible)
The sum of exposures to NFRD undertakings and exposures to personal customers where the activity is not covered by the taxonomy, divided by total covered assets.

Exposures in central governments,central banks and supranational issuers
The sum of exposures in central banks, central governments and supranational issuers divided by total covered assets.

Exposures in derivatives
The sum of exposures in derivatives divided by total covered assets.

Exposures to non-NFRD undertakings
The sum of leasing, mortgages and loans to customers that are not covered by the NFRD divided by total covered assets.

Trading portfolio and interbank loans on demand
The sum of the trading portfolio and interbank loans on demand divided by total covered assets.

Principles for Responsible Banking

Jyske Bank reports annually on our progress in the implementation of the UN Principles for Responsible Banking (PRB). Our full PRB self-assessment can be found in our ESG Fact Book 2022 on our website.

Principles	Status at end of 2022
Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.	Jyske Bank is working hard to integrate sustainability into business activities and the operation of the bank. Our holistic approach ensures that we take initiatives in the areas where the impact will be greatest. We focus on the individual customer's opportunities for sustainable transition and do not reject customers as a result of general sustainability conditions in, for example, a given industry, but we expect our customers to want and work to move in a more sustainable direction. Our operation of the bank must reflect that what we recommend to customers, we do ourselves. In accordance with our identity, the operation of the bank is characterised by responsibility, regardless of whether this concerns preventing financial crime, being an attractive workplace or reducing the CO_2 emissions associated with banking.
Principle 2: Impact and target setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	We have been carrying out impact analyses since 2020. Climate is our most significant impact area, and we have a long-term goal of net zero CO_2 emissions. The analyses have in all material respects covered our entire business scope from the start. Based on our impact analyses, our business-oriented targets have climate as a focal point. With the targets set, work is done across business activities with both positive and negative impact. The targets satisfy the requirement to be SMART and contribute to relevant Sustainable Development Goals. Going forward, it will be relevant to expand on this with targets in another impact area.
Principle 3: Clients and customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	Jyske Bank has a comprehensive product range that can support customers' sustainable transition. In 2022, there has been a focus on education and customer dialogue. Bringing sustainability into play in the dialogue with customers requires skills and knowledge. In 2022, customer-facing employees across business segments have acquired knowledge and skills through internal training courses tailored to the individual business area. In terms of topics, it is energy renovation/efficiency and sustainable investment in particular that have dominated customer encounters, webinars and customer events. We use our various platforms to communicate with customers and other stakeholders about sustainability within a wide range of topics such as energy renovation, sustainable investment and pensions as well as financing of low-energy commercial properties.
Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	In 2022, we entered into partnerships with several stakeholders on various sustainability-related topics, e.g. data, tools and transition plans. The stakeholders range from trade organisations, the public sector and climate partnerships to customers. This applies especially within the industries where we have set CO_2 reduction targets and where the need to gather knowledge has been greatest. In 2022, Jyske Bank took the initiative to start up a network for institutional customers, where the focus is on developing sustainable investment solutions in Danish mortgage bonds. Jyske Bank participates in many committees and working groups at Finance Denmark as well as selected national and international initiatives and networks, e.g. in the EBF or EBA.
Principle 5: Governance and culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	We have management and organisation of the sustainability work that ensures implementation of the PRB. This also includes setting targets and following them up. The implementation is driven by the division Investor Relations and Sustainability in partnership with coordinators from the individual business units in the Group. Strategic decisions are presented to the Board. The Sustainability Committee's quarterly meetings are the focal point for the ongoing follow-up and assessment of the level of ambition and principles for the Group's sustainability efforts. Quarterly reports are made to the Board.
Principle 6: Transparency and accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	Jyske Bank uses the principles as an overall framework for the work of integrating sustainability into both its own and customer-facing activities – and has done so since signing in 2019. We strive for transparency and credibility around our approach to sustainability. Our reporting must give our stakeholders a balanced description of the work and report our progress. Therefore, we are incorporating several key figures on an ongoing basis that help increase measurability and comparability.

ESG-ratings

ESG-raters	Score	Comment
MSCI (CCC to AAA)	AAA	Jyske Bank is at the absolute top (5%) among financial institutions
Sustainalytics (Negl. to Severe Risk)	Medium Risk	Jyske Bank is among the 28% best-rated financial institutions
ISS ESG (D- to A+)	C Prime	Jyske Bank is among the 10% best-rated financial institutions
Moody's ESG Solutions (0 to 100)	47	Performance above sector average
CDP (D- to A)	C	The financial sector's average score is B-

For the fourth year in a row, Jyske Bank has been included in the Bloomberg Gender-Equality Index. The index is an international standard for publication of and reporting on data within five areas regarding gender diversity: Female leadership & talent pipeline, Equal pay & gender pay parity, Inclusive culture, Sexual harassment policies and Pro-women brand.

Jyske Bank has provided data on Nasdaq's ESG platform since 2019.

Policies and principles

Policies
Our policies are central to our sustainability work. The policies that have a particular impact on our work are listed below.

General
- Policy on sustainability and corporate social responsibility

Sustainable business
- Credit policy
- Policy on responsible and sustainable investment
- Sustainability considerations relating to Jyske Bank's own investments

Responsible banking
- Anti-bribery and anti-corruption policy
- Diversity policy
- Policy on the prevention of money laundering, financing of terrorism and sanctions of violations
- Whistleblower policy
- Tax policy
- Policy for data ethics
- Policy promoting a healthy corporate culture
- Policy for handling conflicts of interest
- HR policy
- IT security policy
- Privacy policy
- Remuneration policy
- Policy for freedom of association and collective agreements
- Procurement policy
- Company car policy

Principles
Our work on sustainability and corporate social responsibility is based on a number of national and international initiatives and associations.

UN environment programme finance initiative
Principles for Responsible Banking

Signatory of:
PRI Principles for Responsible Investment

WE SUPPORT UN GLOBAL COMPACT
Since 2016, Jyske Bank has been committed to the UN Global Compact's corporate responsibility initiative and it's principles in the areas of human rights, labour rights, the environment, and anti-corruption.

FINANS DANMARK
20 recommendations from the Forum for Sustainable Finance.

Danish

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

A proud participant of:
Climate Action 100+
Global Investors Driving Business Transition

RACE TO ZERO

Statements

Statement by the management

Today we discussed and adopted the Sustainability Report 2022 for the financial year 1 January to 31 December 2022 for the Jyske Bank A/S Group.

The Sustainability Report 2022 is presented in accordance with the principles described in Accounting policies on pages 52–53.

It is our opinion that the Sustainability Report 2022 gives a true and fair view of the Group's impact on society, including a description of significant risks, the development of activities, results and expectations for the work going forward. Furthermore, it is our opinion that the information in the Sustainability Report 2022 is in accordance with the Accounting policies.

Silkeborg, 28 February 2023

Anders Dam
CEO

Trine Lysholt Nørgaard
Head of IR and Sustainability

Independent auditor's Assurance Report on selected Sustainability data

To the stakeholders of Jyske Bank A/S

As agreed, we have performed an examination with a limited assurance, as defined by the International Standards on Assurance Engagements, on Jyske Bank A/S Group's ('Jyske Bank') ESG Key Performance Indicators, CO_2 accounts and Reporting under the EU Taxonomy Regulation (the 'selected ESG data') on pages 49-51 for the period from 1 January to 31 December 2022.

In preparing the selected ESG data, Jyske Bank applied the accounting policies described on pages 52-53. The selected ESG data needs to be read and understood together with the accounting policies which Management is solely responsible for selecting and applying. The absence of an established practice on which to derive, evaluate, and measure the selected ESG data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Sustainability Report 2022, and accordingly, we do not express an opinion on this information.

Management's responsibilites

Jyske Bank's Management is responsible for selecting the accounting policies, and for presenting the selected ESG data in accordance with the Accounting policies, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the selected ESG data, such that it is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion based on our examinations on the presentation of the selected ESG data in accordance with the scope defined above.

We conducted our examinations in accordance with *ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and additional requirements under Danish audit regulation to obtain limited assurance for the purposes of our conclusion.

EY Godkendt Revisionspartnerselskab is subject to the International Standard on Quality Control (ISQC) 1 and thus uses a comprehensive quality control system, documented policies and procedures regarding compliance with ethical requirements, professional standards, applicable requirements in Danish law and other regulations.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as well as ethical requirements applicable in Denmark.

Description of procedures performed

In obtaining limited assurance over the selected ESG data pages 49-51, our objective was to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a conclusion with limited assurance.

The procedures performed in connection with our examination are less than those performed in connection with a reasonable assurance engagement. Consequently, the degree of assurance for our conclusion is substantially less than the assurance which would be obtained had we performed a reasonable assurance engagement.

As part of our examinations, we performed the below procedures:

- Interviewed those in charge of the selected ESG data to develop an understanding of the process for the preparation of the Sustainability Report 2021 and for carrying out internal control procedures.
- Performed analytical review of the data and trends to identify areas of the selected ESG data with a higher risk of misleading or unbalanced information or material misstatements and obtained an understanding of any explanations provided for significant variances.
- Based on inquiries we evaluated the appropriateness of the accounting policies used, their consistent application and related disclosures in the selected ESG data. This in cludes the reasonableness of estimates made by management.
- Designed and performed further procedures responsive to those risks and obtained evidence that is sufficient and appropriate to provide a basis for our conclusion.
- In connection with our procedures, we read the other sustainability information in the Sustainability Report 2022 of Jyske Bank's and, in doing so, considered whether the other sustainability information is materially inconsistent with the selected ESG data or our knowledge obtained in the review or otherwise appear to be materially misstated.

In our opinion, the examinations performed provide a sufficient basis for our conclusion.

Conclusion

Based on our examinations and the evidence obtained, nothing has come to our attention that causes us to believe that Jyske Bank's ESG Key Performance Indicators, CO_2 accounts and Reporting under the EU Taxonomy Regulation (the 'selected ESG data') on pages 49-51 for the period from 1 January to 31 December 2022 have not been prepared, in all material respects, in accordance with the accounting policies described on pages 52-53.

Aarhus, 28 February 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

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Would you like to know more?

Questions and comments
We appreciate questions and comments; these can be sent to ir@jyskebank.dk or to Jyske Bank IR and Sustainability, Vestergade 8-16, DK-8600 Silkeborg

Read more about us at

Web
www.jyskebank.dk/nyt
www.jyskebank.dk/ir/baeredygtighed
www.jyskebank.com/investorrelations/sustainability

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The Sustainability Report has been prepared in a Danish and an English version. In case of discrepancy between the Danish-language original text and the English-language translation, the Danish text shall prevail.

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